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14 Attorneys for Plaintiff and
15 Cross-Defendant CHURCH OF
16 SCIENTOLOGY INTERNATIONAL

17 SUPERIOR COURT OF THE STATE OF CALIFORNIA
18 FOR THE COUNTY OF MARIN

19 CHURCH OF SCIENTOLOGY)
20 INTERNATIONAL, a California not-for-profit)
21 religious corporation;)

22 Plaintiffs,)

23 vs.)

24 GERALD ARMSTRONG; MICHAEL)
25 WALTON; et al.,)

26 Defendants.)

27 _____)
28 GERALD ARMSTRONG,)
29 Cross-Complainant,)

30 vs.)

31 CHURCH OF SCIENTOLOGY)
32 INTERNATIONAL, a California Corporation;)
33 DAVID MISCAVIGE;)
34 DOES 1 to 100;)
35 Cross-Defendants.)

RECEIVED

SEP 02 1994

HUB LAW OFFICES

CASE NO. 157 680

FURTHER EVIDENCE IN SUPPORT
OF CHURCH OF SCIENTOLOGY
INTERNATIONAL'S MOTION FOR
SUMMARY JUDGMENT OR, IN
THE ALTERNATIVE, SUMMARY
ADJUDICATION, AS TO GERALD
ARMSTRONG'S SECOND
AMENDED CROSS-COMPLAINT

[C.C.P. 437c]

DATE: September 9, 1994
TIME: 9:00 a.m.
DEPT: 1

DISC. CUT-OFF: Aug. 30,
1994

MOTION CUT-OFF: Sept. 13,
1994

TRIAL DATE: Sept. 29, 1994

1 **INDEX TO FURTHER EXHIBITS**

2 **EXHIBIT 5:** Declaration of Laurie J. Bartilson Authenticating Transcript of
3 Proceedings, Documents Produced in Discovery, and Declaration filed in the case
4 of Church of Scientology International v. Steven Fishman, et al., United States
5 District Court for the Central District of California, Case No. 91-6426 HLH (Tx)
6 ("the Fishman case").

7 **EXHIBIT 5(A):** Transcript of Proceedings in this action taken before
8 William Benz, Referee on March 17, 1994;

9 **EXHIBIT 5(B):** Document titled "Who is Gerald Armstrong?"
10 produced by Church of Scientology International in this action and
11 bearing Bates stamp numbers 200298 through 200356.

12 **EXHIBIT 5(C):** Declaration of William T. Drescher, dated February 8,
13 1994 and filed in the Fishman case, and attached Exhibits E, F, and G.

14 **EXHIBIT 6:** Declaration of Laurie J. Bartilson in Support of Church of Scientology
15 International's Motion for Summary Judgment.

16 **EXHIBIT 7:** Declaration of Andrew H. Wilson in Support of Church of Scientology
17 International's Motion for Summary Judgment.

18 DATED: September 1, 1994

Respectfully submitted,

19 BOWLES & MOXON

20
21 By: 
22 Laurie J. Bartilson

23 Andrew H. Wilson
WILSON, RYAN & CAMPILONGO

24 Attorneys for Plaintiff
25 and Cross-Defendant
26 CHURCH OF SCIENTOLOGY
27 INTERNATIONAL
28

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14 Attorneys for Plaintiff and
15 Cross-Defendant CHURCH OF
16 SCIENTOLOGY INTERNATIONAL

17 SUPERIOR COURT OF THE STATE OF CALIFORNIA

18 FOR THE COUNTY OF MARIN

19	CHURCH OF SCIENTOLOGY	)	CASE NO. 157 680
20	INTERNATIONAL, a California not-for-profit)	
21	religious corporation;	)	DECLARATION OF LAURIE J.
22		)	BARTILSON
23	Plaintiffs,	)	[C.C.P. 437c]
24	vs.)	
25	GERALD ARMSTRONG; MICHAEL	)	DATE: September 9, 1994
26	WALTON; et al.,	)	TIME: 9:00 a.m.
27		)	DEPT: 1
28	Defendants.)	
	_____	)	DISC. CUT-OFF: Aug. 30,
		)	1994
	GERALD ARMSTRONG,	)	MOTION CUT-OFF: Sept. 13,
		)	1994
	Cross-Complainant,	)	TRIAL DATE: Sept. 29, 1994
	vs.)	
	CHURCH OF SCIENTOLOGY)	
	INTERNATIONAL, a California Corporation;)	
	DAVID MISCAVIGE;)	
	DOES 1 to 100;)	
	Cross-Defendants.)	
	_____)	

29 I, Laurie Bartilson, hereby declare:

30 1. My name is Laurie Bartilson. I am a member of the law firm Bowles and

31

1 Moxon, representing plaintiff in this action. My firm is also attorney of record for
2 plaintiff, Church of Scientology International, in the case of Church of Scientology
3 International v. Steven Fishman, et al., United States District Court for the Central
4 District of California, Case No. 91-6426 HLH (Tx) ("the Fishman case"). I have
5 personal knowledge of the facts set forth in this declaration and could competently
6 testify thereto if called as a witness.

7 2. Attached hereto and incorporated herein are true and correct copies of
8 the following documents submitted as exhibits in support of Church of Scientology
9 International's Motion for Summary Judgment or in the Alternative Summary
10 Adjudication, as to Gerald Armstrong's Second Amended Cross-complaint.

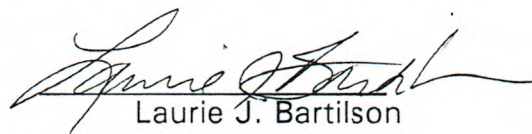
11 **EXHIBIT A:** Transcript of Proceedings in this action taken before William
12 Benz, Referee on March 17, 1994.

13 **EXHIBIT B:** Document titled "Who is Gerald Armstrong?" produced
14 by Church of Scientology International in this action and bearing Bates
15 stamp numbers 200298 through 200356.

16 **EXHIBIT C:** Declaration of William T. Drescher, dated February 8, 1994 and
17 filed in the Fishman case, and attached Exhibits E, F, and G.

18 I declare under the penalty of perjury under the laws of the State of
19 California that the foregoing is true and correct.

20 Executed this 1st day of September, 1994, at Los Angeles, California.

21
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23 Laurie J. Bartilson
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SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF MARIN

--oOo--

CHURCH OF SCIENTOLOGY,)
INTERNATIONAL, A California)
Not-For-Profit Corporation,)
)
Plaintiffs,)
)
vs.)
)
GERALD ARMSTRONG, MICHAEL)
WALTON, et al.,)
)
Defendants.)
_____)

CERTIFIED COPY

No. 157 680

TRANSCRIPT OF
RULING PROCEEDINGS

--oOo--

Thursday, March 17, 1994

REPORTED BY: Sheenagh M. Carlson, CSR NO. 8350

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A P P E A R A N C E S

WILLIAM R. BENZ, Attorney at Law,
900 Larkspur Landing Circle, Suite 185, Larkspur,
California, 94939, appeared as Referee.

WILSON, RYAN & CAMPILONGO, Attorneys at
Law, 235 Montgomery Street, Suite 450, San
Francisco, California, 94101, represented by.
ANDREW H. WILSON, Attorney at Law, appeared as
counsel on behalf of the Plaintiff and
Cross-Defendant, Church of Scientology
International.

MICHAEL L. WALTON, Attorney at Law, 700
Larkspur Landing Circle, Suite 120, Larkspur,
California, 94939, acting for the Defendant in
propria persona.

HUB LAW OFFICES, 711 Sir Francis Drake
Boulevard, San Anselmo, California 94960,
represented by FORD GREENE, Attorney at Law,
appeared as counsel on behalf of the Defendant and
Cross-Complainant, Gerald Armstrong.

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BE IT REMEMBERED, on Thursday, March 17, 1994, commencing at 10:00 a.m. thereof, at the Offices of William R. Benz, 900 Larkspur Landing, Suite 185, Larkspur, California, before me, SHEENAGH M. CARLSON, a Notary Public in and for the County of Sonoma, the following proceedings were had:

--o0o--

MR. BENZ: Basically my ruling is, and I'll go through this in detail, that the documents can be produced under a protective order to be worked out here today. And --

MR. WILSON: Sure.

MR. BENZ: -- the documents are in response -- and correct me if I'm wrong on this, Mr. Greene -- were in response to request to, on request to Defendant Gerald Armstrong, which concerns all documents evidencing or relating to the state of -- strike that. It should be Number 4, on request to Gerald Armstrong, all documents evidencing, relating to or comprising --

MR. WILSON: Do we have that? Do you want to pull it out?

MR. BENZ: Strike that. I'm sorry.

1. Let me try it one more time.

2. MR. GREENE: Before -- actually,
3. maybe I can, so we don't waste time, I didn't
4. realize we were going to deal with this this
5. morning. I neglected to bring your report and
6. recommendations that I had used as my benchmark for
7. the production. I remember when I was in your
8. office a couple of weeks ago I told you at that
9. time what it was that we were being responsive to,
10. what the documents that were produced to you in
11. camera were responsive to.

12. MR. BENZ: Correct.

13. MR. GREENE: And that was after it
14. in assuming, your notes that you took then are
15. accurate, then that's --

16. MR. WILSON: We have it. Do you
17. want it?

18. MR. WILSON: Maybe what we can do
19. is, if you need time to look at that, we can do
20. that at a break and come back.

21. MR. WALTON: Let's do that.

22. MR. BENZ: All right.

23. MR. WILSON: I guess what I'd like
24. to make sure is, since Mr. Armstrong is here, I may
25. have questions about those documents, but I can

1 certainly hold those questions until after a break.

2 MR. GREENE: Let me look at it at a
3 break, because that way we can do it later.

4 MR. WILSON: So, if you can --

5 MR. GREENE: It won't take me long
6 to recall.

7 MR. WILSON: Keep it for now and
8 give it back.

9 MR. BENZ: All right. So the ruling
10 will be referred. Go ahead.

11 MR. WILSON: Off the record.

12 (Deposition of Gerald Armstrong)

13 MR. BENZ: Back on the record.

14 In connection with the production of documents,
15 Mr. Armstrong, through counsel, has furnished
16 documents that were in response to the second
17 request for the production of documents by
18 Defendant Armstrong, Numbers 14, Number 14. And in
19 response to the request, first request for the
20 production of documents by the Armstrong
21 Corporation, items 4 dash, item 14 and item 18.

22 Now, the documents produced are bank
23 statements of Mr. Armstrong's personal account at
24 First Interstate Bank from 1990 to 1994 and they
25 are Bates stamped 1 through 121, and statements of

1 the Armstrong Corporation at First Interstate Bank
2 from 1990 to 1994 Bates stamped 122 to 172. These
3 are the documents that were produced. I will order
4 them produced to Plaintiffs, but under a protective
5 order that they are to be used only for the
6 purposes of this litigation. And is there any
7 further protective order you want, Mr. Greene?

8 MR. GREENE: Just a second.

9 (Confers with client.)

10 MR. GREENE: Yes, only that I think
11 that's adequate that they are used only and
12 specifically only in the course of and for purposes
13 restricted to the use in this litigation.

14 MR. BENZ: That is so ordered. Do
15 you want any limitation on furnishing copies to the
16 Plaintiff itself, or should they be kept in the
17 possession of counsel?

18 MR. GREENE: Yes, I think further
19 they should be kept in the possession of counsel,
20 of Mr. Wilson, and that copies are not to be
21 provided to any agency, or rather to the party,
22 Church of Scientology International, any of its
23 employees or agents, directly or indirectly.

24 MR. BENZ: Any objection to that?

25 MR. WILSON: I don't have any

1 objection to that. Except to the extent that
2 Mr. Greene considers that my co-counsel,
3 Ms. Bartilson is somehow not entitled to see these
4 because she is --

5 MR. BENZ: Well, we will include her
6 as counsel.

7 MR. WILSON: Okay, that's fine.

8 MR. GREENE: And I would just with a
9 caveat, I really underscore the importance of and
10 my distrust of Ms. Bartilson's ability to comply
11 with the order because she answers to a power
12 higher than the court, but I don't think there's
13 anything we can do about it.

14 MR. BENZ: As long as she's counsel
15 she will be included, but that will be the
16 protective order. I might say in my opinion of the
17 use of these is peripheral at best, but they do
18 appear possibly -- and I underline the word
19 possibly -- to pertain to the allegations of
20 altered ego and there may be some connection on the
21 alleged fraudulent transfer and to certain of the
22 defenses raised by Mr. Armstrong.

23 So, with that protective order, I
24 don't need this set any more if you want to turn
25 these over, whatever you want.

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MR. GREENE: Sure.

MR. WILSON: Great, thanks. Can we have a short recess and then I'll look them over?

MR. BENZ: That's fine. Off the record.

(Short recess taken.)

MR. BENZ: In connection with the division of referee's fees, absent a further ruling, they are split 50 percent between Plaintiffs and to be split 25 percent Mr. Armstrong, and 25 percent to Mr. Walton. Is that correct?

MR. GREENE: Yes.

MR. BENZ: The referee reserves the right to reallocate given other circumstances that may arise.

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STATE OF CALIFORNIA)
) SS
COUNTY OF SONOMA)

I, SHEENAGH M. CARLSON, holding CSR License Number 8350, hereby certify that, pursuant to Notice to take the foregoing proceedings, that said proceedings was taken at the time and place stated herein; that the proceeding was recorded by me by stenotype, and that the said proceeding was under my direction thereafter reduced to computer transcript and, when completed, was available to said witness for signature before any Notary Public.

I further certify that I am not of counsel or attorney for either of the parties to said proceedings, nor in any way interested in the outcome of the cause named in the caption.

IN WITNESS WHEREOF, I have hereunto set my hand this day of Monday, April 4, 1994.

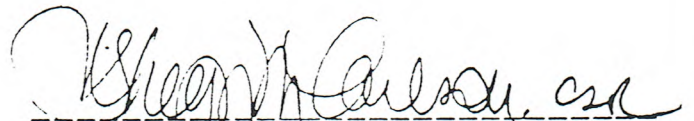

Sheenagh M. Carlson, CSR 8350
Certified Shorthand Reporter.

EXHIBIT B

Who Is Gerald Armstrong?

"We don't have to prove a goddam thing. We don't have to prove sh-t. We just have to allege it."

— Gerald Armstrong

Who Is Gerald Armstrong?

Gerald Armstrong is a former clerk for the Church of Scientology of California who, in December 1981, left the Church and took with him more than 10,000 pages of records that did not belong to him.

In late 1984, a police-sanctioned investigation of Armstrong discovered that he was engaged in a bizarre scheme to take over Church assets.

Armstrong was working in collaboration with two men, known as "Joey" and "Mike", whom he believed to be staff members of the Church who were disaffected with Church management. This was not the case, however, and unknown to Armstrong at the time, his plotting with "Joey" and "Mike" was videotaped.

Armstrong's claim in court that he lived in fear of the Church was shown during these conversations to be a sham:

"JOEY": "Well you're not hiding!"

ARMSTRONG: "Huh?"

"JOEY": "You're not hiding."

ARMSTRONG: "F-k no! And ..."

"JOEY": "You're not afraid, are you?"

ARMSTRONG: "No! And that's why I'm in a f-king stronger position than they are!"

"JOEY": "How's that?"

ARMSTRONG: "Why, I'll bring them to their knees!" SECTION 1

Armstrong wanted "Joey" to plant in the Church's files documents fabricated by Armstrong, who planned to tell the IRS office in Los Angeles to conduct a raid against the Church and find the "incriminating" documents. He reassured "Joey" that he would be able to create the needed documents "with relative ease" since he had done "it for a living."

Armstrong explained to "Joey" how he intended to go about forging the faked documents:

ARMSTRONG: "So it seems to me that the use of the communication lines, I don't know maybe you guys are using them, but it seems to me that you don't have a way of printing anything to get an issue on the lines, used for anything. Right? I'm

saying that I can do it. I can type those goddam things and duplicate them and make them look exactly the same. You can't, you would not be able to tell the difference."

Armstrong's program to remove current Church management included the filing of a civil suit, based on evidence that he would manufacture. In a conversation with "Mike", Armstrong insisted that the suit could be launched based on manufactured allegations.

ARMSTRONG: "They can *allege* it! They can *allege* it! They don't even have - they can *allege* it!"

"MIKE": "So, they don't have to -- like, they don't have to have the document sitting in front of them, and then...."

ARMSTRONG: "I'm f-king saying the organization destroys the documents....!"

"MIKE": "The point -- the point I'm trying to get across is that that's not criminal. That's the -- that's the civil complaint in there and that would have to be proven."

ARMSTRONG: "Show me the lines you're talking about."

"MIKE": "Well, it's over here."

ARMSTRONG: "Where are the -- we don't have to prove a goddam thing. We don't have to prove sh-t. We just have to *allege* it. SECTION 2

Armstrong instructed "Joey" how to lie under oath about their plans to disrupt Church management. Armstrong wanted him, if deposed, to say that he and Armstrong had merely discussed a "global settlement" of Church litigation.

ARMSTRONG: "OK, what are our conversations, should it come down to it?"

"JOEY": "What do you mean?"

ARMSTRONG: "What do we talk about? You're deposed. You walk out there, and there's a PI hands you a paper, saying you're deposed, Jack, and not only that, you're out of the organization. And what do you say in deposition. Well, Armstrong and I talked about this, and he had a whole bunch of ideas about how to infiltrate the communication lines and spread turmoil and disaster, you know. What are we doing here? That's my question, before I tell you my ideas on documents."

"JOEY": "Well, what I got is basically -- Loyalists [Loyalists was an invented name for Armstrong's "co-conspirators"] gotta -- we gotta move -- we've got the suit coming up and I guess we need other lines to get stuff going. ..."

ARMSTRONG: "OK. So as far as the doc ... Let me just say, ah, you and I get together, we get together because we have a goal of global settlement. You have felt

that the turmoil and abuses and so on have gone on too long ... Hence we get together and discuss things. We have not discussed anything about a destruction of the tech, or Scientology is bad, or anything like that. Are we agreed?"
SECTION 3

Breaches of Agreement

Armstrong's plan to take over Church management was foiled and in December 1986 he agreed to resolve his differences with the Church.

One of the settlement conditions was that he would not assist any persons litigating any claims against the Church. Armstrong has since changed his story about signing the settlement agreement and now claims that he was pressured into signing it, but that he put on a happy face and proceeded to sign and go along with it.

However, it is obvious from the video and transcript of Armstrong signing the settlement agreement that he knew exactly what he was doing. **SECTION 4 (video is available)**

In 1990, Armstrong began to undertake actions which directly violated the agreement he had made. This placed him at risk that the Church would move to collect the damages that Armstrong's breaches entitled it to. To make it impossible for the Church to collect any damages, he fraudulently conveyed all his property including real property, personal property and cash to his friends and to a corporation he set up for that purpose, which he called, "The Gerald Armstrong Corporation."

One of the recipients of Armstrong's assets was an attorney named Michael Walton. Prior to signing the settlement agreement with the Church, Walton had advised Armstrong about the terms and conditions of the agreement. Walton also knew of Armstrong's intention to breach the agreement and was thus fully aware of the fraudulent nature of the conveyance. **SECTION 5**

After transferring his assets, Armstrong went to the media and, in an eccentric interview, told them that he had given away all his money. **SECTION 6**

In early 1992, a lawsuit was filed against Armstrong to enforce the settlement agreement on him. On May 28, 1992, a preliminary injunction was ordered specifically prohibiting Armstrong from assisting any person arbitrating or litigating a claim against the Church. **SECTION 7**

Despite this order, Armstrong has continued to violate the settlement agreement. He has now stated both in deposition and in his letters that he has no intention of abiding by the preliminary injunction and that no court can order him to abide by the settlement agreement. **SECTION 8**

Ford Greene

Armstrong's attorney, Ford Greene, has been a long-time attacker of religious

movements. He has a history of using frivolous litigation tactics to delay and prevent cases from being tried. In August 1992, Greene was forced to pay \$6,167.23 in sanctions, plus \$797.81 in costs, to a fellow-attorney after Greene's dishonest and unprofessional litigation tactics were exposed in court.

The Sonoma Superior Court in California ordered Greene to compensate attorney John Maderious, who had been trying for eighteen months to bring to trial a case in which Greene represented the plaintiff. The case, once at trial, could have been disposed of in one hour. Maderious's declaration to the Court described Greene's stalling tactics, his deception and his purposeful failure to abide by court rules. **SECTION 9**

Maderious stated that, *"Mr. Greene enjoys a unique status in my office. Mr Greene is the only attorney I have had any contact with in almost twenty years of practice who I refuse to speak with on the telephone. My response to telephone calls to Mr. Greene is to have my secretary tell him to fax anything to me that he has to tell me since I do not wish to talk to him on the phone. The reason for this is that Mr. Greene has demonstrated to me repeatedly that he is willing to say anything to attempt to further his interests, regardless of the truth."*

oOo

SECTION 1

TRANSCRIPT OF MEETING BETWEEN GERALD ARMSTRONG
AND "JOEY" ON 7 NOVEMBER 1984

[Come into picture together and sit down on a park bench.]

ARMSTRONG: Good place?

"JOEY": Yeah, I think so. You like it?

ARMSTRONG: Yeah, fine.

"JOEY": [Extending hand] [Inaudible]

ARMSTRONG: Yeah. [Inaudible] [Shaking hands]

"JOEY": Been a while, been a while.

ARMSTRONG: Ah, I have to leave by 2:30 [looking at watch] so we've got that long.

"JOEY": Wow.

ARMSTRONG: Okay? That's okay.

"JOEY": We've got a lot of ground to cover. That's ok. We'll get there.

ARMSTRONG: That's okay. We should be able to cover everything really quick.

"JOEY": Yeah. Okay. First [inaudible] kind of like dealing directly now and I'm going to give you what I've got and I'll get what you've got and take everything back to the committee so everyone's in agreement and everyone knows everything.

ARMSTRONG: Good.

"JOEY": Sound good with you?

ARMSTRONG: Yeah.

"JOEY": Okay. I've got a bunch of stuff that you requested, so we can go over that.

ARMSTRONG: Good.

"JOEY": Compiling a little agenda here and you had a memo for me.

you know.

"JOEY": I got it. Okay.

ARMSTRONG: It's law and justice. And we're saying, "Fuck it, it's unjust." And that's what I think. Somebody's got to stand up. It doesn't really matter. Anyway, I think the swap of information is very vital and I think if we keep going along, you know, the more things happen, the more there is - the more we're in control of this whole damn thing. Because the fact is, we're out here and they can't hear this shit. They gotta hide. Miscavige is hiding, right? You don't see the fucker around. So now you've got -

"JOEY": Well, you're not hiding.

ARMSTRONG: Huh?

"JOEY": You're not hiding.

ARMSTRONG: Fuck, no. And -

"JOEY": You're not afraid, are you?

ARMSTRONG: No. And that's why I'm in a fucking stronger position than they are.

"JOEY": How's that?

ARMSTRONG: Why, I'll bring them to their knees.

"JOEY": What do you think is going to happen?

ARMSTRONG: You mean, what's my prediction?

"JOEY": Yeah, what's your prediction? And how -

ARMSTRONG: [Pauses and shrugs, then speaks in a much lower voice.] That they're going to lose in a whole bunch of jurisdictions. They're going to lose. They're going to lose. They are going to lose. [Armstrong taps his palm each time repeats phrase.] And they're going to start losing - [shrugs] 1985. They only even have to lose one, and attorneys all over the country are going to jump on the fucking bandwagon. And watch, you know, all of a sudden you've got precedents being established which are incredible. The organization continues on with its kind of Band-Aid philosophy. Slap a Band-Aid on. Aw, shit, rip it off and slap another Band-Aid on. Meanwhile, life happens to be marching by and they put all the Band-Aids on about all the lawsuits that they can, and it's coming to trial. They took a bath in Armstrong. They took a bath over in the UK. They took a bath in the tax case. They're about to get burned in Samuels because they're not going to be allowed to intervene. And when that happens, Hubbard's going to be defaulted, and pretty soon you'll find Martin Samuels selling you Dianetics books because he'll own the copyright because it's already been adjudicated that the organization is

SECTION 2

TRANSCRIPT OF MEETING BETWEEN GERALD ARMSTRONG
AND MIKE ON 17 NOVEMBER, 1984

MIKE: Got your dollar?

ARMSTRONG: How are you doing?

MIKE: Very good. How are you?

ARMSTRONG: Not bad.

MIKE: Finally

ARMSTRONG: There you go.

MIKE: You going to give that back to me?

ARMSTRONG: If you like.

MIKE: Listen I think I need it more than you do, I think. [They both laugh.]

ARMSTRONG: Got it. Go ahead.

MIKE: So? Here I am. Now, I guess you are probably gonna want to know a little bit about why me. But, ah, the reason that I wanted to meet you is because we're a little concerned at this point at the fact that, you know, that stuff is being relayed through this relay point and you know that there may be some misduplication and that kind of shit - and I want to get the straight scoop from you. I also - I brought this draft of the suit because I want to go over that with you, because there's some points in there that, well, I have a little concern about some of those. About how we're going to handle that. If we were to go ahead and bring that how it would actually come off. But, at certain, at certain times we really need to, to, ah, get the real scene, what's really going on. So, I'm gonna, I have a comm line to the rest of the guys. Joey doesn't have that. So, I can be a more direct relay point, because this has been going on now for some time.

ARMSTRONG: There's a lot of things I would like to work out, which I think would make things go along a lot easier. First of all, the complaint, itself, that's not set in concrete, you know -

MIKE: No, no, I understand.

this shit or what? I mean - from what I understand, when you write an affidavit, you have got, ah, like, find guys who have -

ARMSTRONG: Without - do you have any personal knowledge?

MIKE: Some. Some.

ARMSTRONG: Then why don't you go out on this limb.

MIKE: But I don't - I'd rather not, I'd rather not, I mean as soon as I, as soon as I were to write an affidavit, then that is going to go somewhere with my name on it, wherever it goes, to our attorney -

ARMSTRONG: Don't even sign the fucking thing. I just want to get the -

MIKE: Oh, I see.

ARMSTRONG: I want some affidavits so that they can be - so that we know what the fuck is this? What are the allegations? You know, 'cause I'm - I mean, I'm kind of getting from you, "Well, shit the organization is fine. It's not doing anything illegal." And I'm sitting here on the outside, knowing that they want me fucking dead, and that I was threatened by Eugene Ingram that he was going to put a bullet between my fucking eyes. I know that they are up to their eyebrows in it. They must have paid - how about the Flynn thing? How much did they pay -

MIKE: Yeah, but do we have to find someone that has personal knowledge of that in order to get an affidavit of those things?

ARMSTRONG: How much was paid to Ingram?

MIKE: I don't know. I don't know that data yet.

ARMSTRONG: Who paid? Who paid Ingram?

MIKE: I presume the attorneys paid him.

ARMSTRONG: Yeah, but it comes from your money.

MIKE: Right. So then it would be how much is paid to the attorney, right? I mean that's what we would want to know.

ARMSTRONG: Who gets an accounting of what, you know - your board members, your fucking board members. Your guy's on the board and you can't find out? Those are the people that should be signing it should be doing it.

MIKE: Okay. I'm not asking about whether they can find out, but whether they need to in order to be able to do this. Do you see what I'm saying? It's like -

ARMSTRONG: They can allege it. They can allege it. They don't

even have - they can allege it.

MIKE: So they don't have to, like - they don't have to have the - you know, documents sitting in front of them and -

ARMSTRONG: They can fucking say the organization destroyed the documents. Your organization destroyed it.

MIKE: I see.

ARMSTRONG: But you can simply say, you know, upwards of millions of dollars have been paid. And fucking attach a goddamned - if you attach FREEDOM and say that the whole thing is crock of shit, that - fucking - you know, a court has to look at that seriously. You know, the fact that - you know, how about - how about - oh, mailing lists. Can you get mailing lists? Who - who got FREEDOM? How much was paid for FREEDOM? Who was it sent to? You know, how about these issues being put out on people? Who gets them? How much money is spent on that shit?

MIKE: Is that all going along this same line of -

ARMSTRONG: The fact that organized - number one, there is - you have to say there is a conflict, a disagreement about control of funds. Number two, we are requesting the assets be frozen immediately. And the reason is [knocks on something] this and this, and this. Organization that is supposedly a religious organization, is spending non-profit funds to destroy someone's reputation. They are paying private investigators millions of dollars to destroy someone's reputation. Fab - with fabricated evidence. You can allege that. I have a lot of faith in Mike Flynn. You know, I really don't know one way or the other whether or not the Tamimi thing is bullshit. But I have also spoken to the U.S. attorney - deputy U.S. attorney in Boston, and everything I get from anyone is they are going on the basis that it's bullshit and will uncover it sooner or later. They are trying to extradite Tamimi right now.

MIKE: That would be a real PR coup.

ARMSTRONG: Yeah, but I'm saying, you guys can allege it. Now, also, I mentioned to Joey last time, I don't think anyone has to get into a frame of mind where if they don't file this thing two days following the indictments, like they have to take a big loss on it, I wouldn't - you know, within your group, I would let them know that, you know, the timing is not that critical. It's more sensible that everything be well-done and well prepared and well thought out.

MIKE: Right. I completely concur with that.

ARMSTRONG: However, it's - you know, I would not delay years.

[Strange voice comes and asks something.]

SECTION 3

TRANSCRIPT OF MEETING BETWEEN GERALD ARMSTRONG
AND "JOEY" ON 9 NOVEMBER, 1984

ARMSTRONG: Hi.

"JOEY": Hey man. I like this place. They're throwing money at us.

ARMSTRONG: Where'd it come from?

"JOEY": A lot of traffic coming up?

ARMSTRONG: Yeah, that's why I'm late.

"JOEY": Train still here?

ARMSTRONG: Are we going to meet the young lady?

"JOEY": Yeah, we can do that. Did you bring any drawings?

ARMSTRONG: Which kind of drawings? Oh, my drawings. Yeah. I brought a bunch.

"JOEY": That's great, that's great.

ARMSTRONG: So, [sits down] tell me what's going on?

"JOEY": Excitement. Excitement.

ARMSTRONG: Is it really?

"JOEY": Yeah, yeah. The general mood is like we're going, and we're going fast and there's just exuberance. You got something to take some notes? I want to give you some stuff.

ARMSTRONG: Oh, shit. Hang on, I'll get -

"JOEY": Here, I'll give you something here -

ARMSTRONG: You got a pen, as well?

"JOEY": Would you rather have your own notebook?

ARMSTRONG: No, this is fine. Give me that paper, as well. I think things are accelerating. Boy, you know, I was photographed.

ARMSTRONG: You're not wired; are you?

"JOEY": No.

ARMSTRONG: Okay. What are our conversations, should it come down to it.

"JOEY": What do you mean?

ARMSTRONG: What do we talk about? You're deposed. You walk out there and there's a PI, he hands you a paper saying, "You're deposed, Jack. And not only that, you're out of the organization." And, and what do you say in deposition? "Well, Armstrong and I talked about this and he had a whole bunch of ideas about how to infiltrate the communication lines and spread turmoil and disaster," you know. What are we doing here? That's my question, before I tell you my ideas on documents.

"JOEY": Well, what I got is basically the Loyalists gotta, we gotta move. We've got the suit coming up and I guess we need other lines to get stuff going.

ARMSTRONG: Yeah, you do. And I think that people should talk to Lipkin, and I think we should make it as soon as possible to do it, and I also think that - I've put a request into a couple of attorneys now, who unfortunately can't represent you guys, but I said, "Well, what if I can get twenty thousand bucks up front?" And they said they should have no idea - coming up with a lawyer, they're trying to find, at this time, what - the lawyer makes sense. Now, maybe you guys have got one, seems like you haven't. As an important aside, Dave Jordan called up Mike Flynn today. Remember, Dave Jordan called Danny a while back?

"JOEY": Yeah.

ARMSTRONG: Dave Jordan spoke to Mike, mentioned the name Dan Sherman, and said that - at least Mike got that Jordan thought Dan was a double agent. Now, maybe Jordan doesn't know enough about what is going on, maybe he is a triple agent, you know what I mean? Who knows what, but in any case, it seems like if Jordan is talking about Dan, perhaps something is going on. You know what I mean? You guys just should know that is going on. Now, maybe Jordan's in your pocket, I don't know, I have no idea. But I wanted to pass that on.

"JOEY": Jordan's not a Loyalist.

ARMSTRONG: He's not?

"JOEY": No. I don't know everybody but -

ARMSTRONG: Okay. So as far as the doc - let me just say, [Armstrong looks into the distance, points. Loud traffic sounds and horns beeping] ah, this is why we get together. We get together because I have a goal of global settlement. You have

felt that the turmoil and abuses and so on have gone on too long - hence we get together and discuss things. We have not discussed anything about a destruction of the tech [Scientology technology], or that Scientology is bad, or anything like that. Are we agreed?

"JOEY": Yeah.

ARMSTRONG: [Watching car passing by.] There's a radio. That's a state car.

So it seems to me that the use of the communication lines - I don't know maybe you guys are using them, but it seems to me that you don't have a way of printing anything to get an issue on the lines, to use for anything, right? I'm saying that I can do it. I'm saying that I can type those goddamn things and duplicate them and make them look exactly the same. You won't - you would not be able to tell the difference. You know, maybe under a microscope you can tell the type faces, you know, this one's got a little crack on the T and this one doesn't. You'd be able to tell that and they will know. But that happens to be - that only happens to be one little piece of it. You put out another issue the next day for a totally different purpose. You guys are going to need to get - to put out issues when this thing happens, you got to inform the crew. You should be preparing right now, in my opinion, goddamn affidavits that I can be - that we can put into a computer and have run off and ready to go. I can write - I write legal shit, that's why I want to know your best legal mind. I'd like to talk to him. Maybe you're it, I don't know.

"JOEY": I'm not it, no.

ARMSTRONG: Okay. But I'd like to, so we're really in sync on this thing. Same as the overall best mind. I have no compulsion to - you know, I'll talk to them through - around a corner. I don't have to see anybody. But I really want to know that we are in sync and that we're using all the resources that we can. I don't know what you've got. I'm telling you basically what I've got. One thing I have got is mobility.

"JOEY": We can put the CSW together. We can handle distribution.

ARMSTRONG: That's exactly the sort - the CSW is the greatest weapon you guys got. You know, the CSW about the situation with the PIs. Given that someone is in a position that they would be doing such a thing. I think, you know, how about if - I've got a letter that Eugene Ingram works for L. Ron Hubbard, you know, okay. Okay, then you say, well, let's say you guys have the information from somewhere that Brackett Denniston, of the U.S. attorney's office, felt that this whole thing was a set up, and then you say, "Well, we can't have that problem. Here's this letter out there saying that he works for Hubbard. We can't endanger the source. We have to act." So, therefore, here's my proposal. And just the fact of having that goddamn proposal of some guy standing up and saying, "I've got to defend source," you've got such incriminating information in the CSW. You follow?

SECTION 4

**TRANSCRIPT OF GERALD ARMSTRONG VIDEO RECORDING OF
SETTLEMENT AGREEMENT SIGNING**

Appearances: December 6, 1986

LH: Larry Heller

GA: Gerald Armstrong

MF: Michael Flynn

JR: Jo Ann Richardson (Notary)

MS: Michael Sutter (Witness)

BEGINNING OF TAPE

LH This is fine, that covers everything and um, we're alright.

MF How many you got there?

LH Well I got the two affidavits for, then I got these here which, um, we don't have to sign these on video tape - we can do it if you like...

MF It makes no difference to me.

LH It's all the same to me too...

LH OK. It's now 9:04, ah, pm on December 6 1986 and to my left is Gerald Armstrong and next to him Michael J. Flynn. Um, Mr. Armstrong, I understand Mr. Flynn is your attorney here representing you today, is that correct?

GA Right.

LH OK. Ah, Mr. Armstrong I'm going to ask you to sign three documents, ah, a mutual release of all claims and settlement agreement, and two separate affidavits. Prior to doing so however, I would like to ask you some questions with regard to those documents, um-hum, excuse me, which I would like you to answer freely and honestly if you would. Ah, first of all have you had a chance to, ah, completely and comprehensively review and read these documents?

GA Yeah.

LH OK. Have you had a chance to discuss these documents with your attorney, Mr. Flynn?

GA Yes.

LH Has Mr. Flynn explained these documents as well the legal and factual ramifications to you, legal and practical ramifications to you to your satisfaction?

GA Uh, I think so, yes.

LH OK. Well do you have any question of that whatsoever?

GA No, I have no current questions about it.

LH OK, very good. You are going to sign these of your own free will?

GA Yes.

LH OK. You are not suffering from any duress or coercion which is compelling you to sign these documents?

GA No.

LH Alright, you are not presently under the influence of alcohol or any medication, prescription or otherwise, which would impede your ability to comprehend the um, legal and factual intent of these documents?

GA No.

LH Um, you may have noticed in reviewing the settlement agreement that, ah, you are part of a what we have generically described as a universal settlement, ah, what I mean by that is and you probably know that independently as well, as you're smiling. What I mean by that...

GA ... no, just that, that's the same as a global settlement, right?

LH It's the same thing. Exactly.

GA Got it.

LH I said generically described so far, universal, global, all encompassing - whatever you like, but the intent of it is that, um, you are one of many claimants uh, who uh, contend that they have claims against the Church of Scientology as well as related and unrelated entities and individuals. Some of those claimants have litigation such as you do pending against the Church of Scientology, some of them don't.

Uh, as you also may or may not know, uh, one lump sum payment is being made to Mr. Flynn. Um, Mr. Flynn is then

going to be distributing from that lump sum certain sums to some or all of these claimants...

MF After I go to Rio.

LH After he goes to Rio, exactly. Neither I nor my clients know what the nature or amount that that distribution is um, and we don't want to know. Uh, what's important to us is that you realize that it's a universal/global settlement; that you realize that you are getting paid a certain amount out of that settlement, if you in fact are, and I'm making the assumption you are, but that, uh, and also that you tell me while we're now on video tape that you are happy and satisfied with the amount that Mr. Flynn has promised to pay you.

(phone rings and is answered)

GA Yes.

LH OK, now, other than any representations which Mr. Flynn has made to you in order to uh, get you to sign this uh, have any other representations been made by either myself or my clients or anything else which has compelled you to sign these documents?

Now, what I'm saying to you is there are obviously representations in the documents...

GA Correct.

LH Mr. Flynn has spoken with you - he has said you will get this and that for the, uh, whether money or other consideration for the signing of these documents...

GA Right.

LH OK, now I want to make sure that were there any other representations made to you of anything you would get in consideration for the signing of these documents.

GA Not in terms of what I would get: no.

LH OK. Along those same lines - As I said this is a universal settlement - ah, accordingly, ah, it is possible that some of the other parties may not settle for some reason, and I want you to be aware of the fact that if in fact one of those other, one or more of those other parties do not settle, this settlement falls through. You're aware of that?

GA OK.

LH OK, and you're also aware of the fact however that we are putting these in what is in effect an escrow account - these documents and this video tape - an escrow, um, sort of holding place, uh, so that all of these documents in the video tape will be destroyed if the, uh, settlement does not go through. And you're aware of all that? ...OK?

GA Um-hum.

LH OK, uh, with that then why don't we take a picture of the mutual release of all claims and settlement agreement and then I'll ask you to sign it.

...zoom to document...

LH OK, now what I'm going to ask you to do is please is to initial each of the bottom of each of these pages, I'll turn the page for you and then you'll sign it, I think in two different places if you would.

...GA initials the document...

MF Oh you've got a signature there, Lar.

LH Oh, I'm sorry...that's right...right up here.

...GA continues to initial and sign the document...

LH OK and if you'd date and sign there please.

...GA signs the document...

MF You didn't want to eat dinner with any of those people anyway.

LH No, what did I want to go out to dinner for. Is that crazy? OK, let's see, if you give it to Mr. Flynn, he'll sign it ... and you'll take two separate pictures of these Ted.

...zoom into document...

MF Little art work?

GA I think it...I think we have to, seeing as that's how the checks are.

LH OK and I've just taken a picture of this affidavit and asked that you initial at the bottom of the pages and then sign it once you get your pen back.

...GA signs document...

MF (Laughs)

LH OK, and here is the second affidavit...

...zoom into document...

LH OK.

...GA signs document...

MF How do you do that so quickly? That's awesome.

LH Um... OK, do you have any sort of identification on you so we can give it to the notary?

GA Sure.

LH So she can notarize your documents.

GA We haven't met before, have we?

JR No.

LH Why don't I have you sign...

LH Uh, I don't think we need to take a picture of this, this is the stipulated sealing order but you know what, all of these are for Bruce Bunch's signature I think...

MF Oh, are they...

LH Because...

MF Should we get Bruce down here at some point?

LH Well...

MF Bruce is in trial I think...

GA Yeah, he is.

MF Yeah, whatever, we can get Bruce back down here. He's in the middle of a trial...

LH I think I'd want either Bruce or Julia's signature on this.

MF Julia would probably be easier...

LH Yeah...

MF Cause Bruce is in the middle of a trial.

LH Well we can arrange for that, that shouldn't be a problem...

MF Well she's coming Monday to do hers...right?

LH Exactly, um, ok, I noticed by the way, in this stipulation for return of sealed materials, it also has Mr. Armstrong's signature and your signature on it so...Let's take a picture of that.

...zoom into document...

LH And have you had a chance to read this yet Mr. Armstrong?

GA Yeah.

LH OK...alright... would you date and sign that please.

GA I keep thinking it's '85.

LH It's a good way...certainly...not to confuse your signature...

GA No.

LH ...Because Mr. Armstrong is, um, putting a face on his signature.

GA Makes it valuable.

LH Exactly.

MF It's awesome...as opposed to my ugly scrawl.

LH You probably have the same artistic talent that I have, which is...

MF Mine is zero.

LH Zero to none. OK, and I think that's it. Thank you Ted. Oh OK, or do you have any questions?

GA No, no

MF Those are orders...

LH These are orders which will be signed by the attorneys which will relate to sealing the files so that no one can get into them as well dismissing your actions. Those will be signed when the entire settlement is finished, um, and then given to the court for Judge Breckenridge's signature.

GA OK...

LH OK.

MF We should put how many docs we got...

GA Do you need duplicate sets signed? Or is that...

MF No, no there's only one...

LH No.

...counting documents...

MF 1-2-3-4 here.

LH OK, I've got two here which is six and then there's two affidavits which is eight.

LH OK, and if you got a drivers license or...

GA Right here.

JR He gave it to me...

LH Already got it?

GA Yeah.

JR You need to put your signature there and your address there please.

LH So you had a good time today?

MF Oh yeah, we had an excellent time, it was very pleasant and we had a nice plane ride up - nice plane ride back...

LH Well Michael's good company.

MF Nice visit with ah...yeah, Mike's very good company... nice, pleasant...

LH I've flown with him once or twice myself.

MF Yeah.

LH The trouble with me, he ususally sleeps. I'm not sure why that is.

MF No, we didn't sleep, (laughs).

MF Witnesses, we need witnesses with some of these docs.

LH Uh, no I think there was a one...that's right.

MF ...several are needed...

LH ...well, just, no only...

MF ...just the release.

LH Only the ah, mutual release...did I see a witness signature there? And there were... you know let's get Ted back - As a matter of fact Ted, why don't you roll this again because we're going to have witnesses sign. Thanks for reminding me.

MS Should Ted be a witness?

LH Oh, you two were witnesses so far... OK, we're back on the camera - 9:15 - and I neglected to get witnesses signatures on the uh, mutual release of all claims and settlement agreement so why don't I do that right now.

...Witnesses sign...

MS Just the one?

LH Okee-dokee, yup, and those are affidavits. Will you stamp them? Thanks Ted. Alright, so...we want to put up all this down in the vault...

MF This all goes together.

LH ...and you've marked that stuff for Michael Hertzberg.

MF Yeah. All marked.

END OF TAPE

SECTION 5

FILED

JUL 23 1993

HOWARD HANSON
MARIN COUNTY CLERK
C. HARDING DEPUTY

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7 Attorneys for Plaintiff
8 CHURCH OF SCIENTOLOGY
INTERNATIONAL
9

10 SUPERIOR COURT OF THE STATE OF CALIFORNIA

11 FOR THE COUNTY OF MARIN

13	CHURCH OF SCIENTOLOGY	)	CASE NO.
14	INTERNATIONAL, a California not-)	
14	for-profit religious corporation,	)	VERIFIED COMPLAINT TO SET
15		)	ASIDE FRAUDULENT TRANSFERS
15		)	AND FOR DAMAGES; CONSPIRACY
16	Plaintiff,)	
16	vs.	)	[C.C. §§ 3302,
17		)	3439.07(a)(1), (3)]
18	GERALD ARMSTRONG; MICHAEL WALTON;	)	DATE:
18	THE GERALD ARMSTRONG CORPORATION,	)	TIME:
19	a California for-profit	)	DEPT:
19	corporation; DOES 1 through 100,)	
20	inclusive,)	
20		)	DISCOVERY CUT-OFF: None
21	Defendants.	)	MOTION CUT-OFF: None
21		)	TRIAL DATE: None

22 Plaintiff, by its attorneys, Wilson, Ryan & Campilongo and
23 Bowles & Moxon, for its Complaint, alleges:

24 NATURE OF THE ACTION

25 1. In December, 1986, plaintiff and defendant Gerald
26 Armstrong ("Armstrong") entered into a settlement agreement ("the
27 Agreement"). The Agreement provided for a mutual release and
28

1 waiver of all claims arising out of a cross-complaint which
2 defendant Armstrong had filed in the case of Church of
3 Scientology of California v. Gerald Armstrong, Los Angeles
4 Superior Court No. C 420153. Armstrong, a former Church member
5 who sought, by both litigation and covert means, to disrupt the
6 activities of his former faith, displayed through the years an
7 intense and abiding hatred for the Church, and an eagerness to
8 annoy and harass his former co-religionists by spreading enmity
9 and hatred among members and former members. Plaintiff sought,
10 with the Agreement, to end all of Armstrong's covert activities
11 against it, along with the litigation itself. For that reason,
12 the Agreement contained carefully negotiated and agreed-upon
13 confidentiality provisions and provisions prohibiting Armstrong
14 from fomenting litigation against plaintiff by third parties.
15 These provisions were bargained for by plaintiff to put an end to
16 the enmity and strife generated by Mr. Armstrong once and for
17 all. The Agreement also provided, inter alia, for liquidated
18 damages to be paid by Armstrong should he choose to breach these
19 provisions.

20 2. In or about February, 1990, Armstrong began to take a
21 series of actions which directly violated provisions of the
22 Agreement. Fearing that plaintiff would seek to collect the
23 liquidated damages owed by his breaches, Armstrong, as set forth
24 below, fraudulently conveyed all of his property, including real
25 property located in Marin County, cash, and personal property to
26 defendants Michael Walton, the Gerald Armstrong Corporation, and
27 Does 1-100, receiving no consideration in return. Thereafter,
28 Armstrong deliberately set out to repeatedly breach the

1 Agreement, incurring a debt which at present totals at least
2 \$1,800,000, and which he has and had no assets to use to satisfy
3 the debt.

4 3. Armstrong's breaches and resulting indebtedness are
5 presently the subject of two actions pending in Los Angeles
6 Superior Court, Church of Scientology International v. Armstrong,
7 LASC No. BC 052395 ("the First Action"), demanding liquidated
8 damages of \$600,000.00 for breaches occurring between July, 1991
9 and May, 1992, and Church of Scientology International v.
10 Armstrong, LASC No. BC 084642 ("the Second Action"), demanding
11 liquidated damages of \$1,200,000.00, for breaches occurring
12 between August, 1991 and June, 1993.

13 THE PARTIES

14 4. Plaintiff Church of Scientology International is a non-
15 profit religious corporation incorporated under the laws of the
16 State of California, having its principal offices in Los Angeles,
17 California. Plaintiff CSI is the Mother Church of the
18 Scientology religion.

19 5. Defendant Gerald Armstrong is a resident of Marin
20 County, California.

21 6. Defendant Michael Walton is a resident of Marin County,
22 California.

23 7. Defendant Gerald Armstrong Corporation ("GAC") is a
24 corporation incorporated under the laws of the State of Calif-
25 ornia, having its principal offices in San Anselmo, California.

26 8. Plaintiff is ignorant of the names and capacities of
27 the defendants identified as DOES 1 through 25, inclusive, and
28 thus brings suit against those defendants by their true names

1 upon the ascertainment of their true names and capacities, and
2 their responsibility for the conduct alleged herein.

3 DEFENDANT GAC IS THE ALTER EGO OF

4 DEFENDANT ARMSTRONG

5 9. Defendant Armstrong is GAC's president and sole
6 officer, its principal shareholder and sole employee, and has
7 been since the incorporation of GAC in 1987. Further, defendant
8 Armstrong has the sole and exclusive right to control the
9 corporation's bank account and its disbursement of funds.

10 10. Defendant GAC is, and at all times since its
11 incorporation was, the alter ego of defendant Armstrong. There
12 exists, and at all times since GAC's incorporation has existed, a
13 unity of interest and ownership between these two defendants such
14 that any separateness between them has ceased to exist:

15 Defendant Armstrong caused his own personal assets to be
16 transferred to GAC without adequate consideration in order to
17 evade payment of his lawful obligations, and defendant Armstrong
18 has completely controlled, dominated, managed and operated GAC
19 since its incorporation for his own personal benefit.

20 11. Defendant GAC is, and at all times mentioned was, a
21 mere shell, instrumentality and conduit through which defendant
22 Armstrong carried on his activities in the corporate name exactly
23 as he conducted them previous to GAC's incorporation. Armstrong
24 exercised and exercises such complete control and dominance of
25 such activities that any individuality or separateness of
26 defendant GAC and defendant Armstrong does not, and at all
27 relevant times did not, exist.

28 12. Adherence to the fiction of the separate existence of

1 defendant GAC as an entity distinct from defendant Armstrong
2 would permit an abuse of the corporate privilege and would
3 sanction fraud, in that Armstrong transferred his material assets
4 to GAC in 1988, at the time of his embarkation on the campaign of
5 harassment described herein, and with the intention of preventing
6 plaintiff from obtaining monetary relief from Armstrong pursuant
7 to the liquidated damages clause. Hence, GAC exists solely so
8 that Armstrong may be "judgment proof."

9 THE CONTRACT

10 13. On or about December 6, 1986, CSI and Armstrong entered
11 into a written confidential settlement Agreement, a true and
12 correct copy of which is attached hereto as Exhibit A, and
13 incorporated by reference.

14 14. The Agreement was entered into by plaintiff and
15 defendant Armstrong, with the participation of their respective
16 counsel after full negotiation. Each provision of the Agreement
17 was carefully framed by the parties and their counsel to
18 accurately reflect the agreement of the parties.

19 15. Plaintiff specifically negotiated for and obtained from
20 Armstrong the provisions in the Agreement delineated in
21 paragraphs 7(D), 7(H), 7(G), 10 and paragraphs 12 through 18.
22 Plaintiff took this step because it was well aware, through
23 investigation, that Armstrong had undertaken a series of covert
24 activities, apart from the litigation, which were intended by
25 Armstrong to discredit Church leaders, spark government raids
26 into the Churches, create phony "evidence" of wrongdoing against
27 the Churches, and, ultimately, destroy the Churches and their
28 leadership.

1 16. Paragraph 7(D) of the Agreement provided, in substance,
2 that Armstrong: (1) would not create or publish, or assist
3 another in creating or publishing, any media publication or
4 broadcast, concerning information about plaintiff, L. Ron Hubbard
5 or any other persons or entities released by the Agreement; (2)
6 would maintain "strict confidentiality and silence" with respect
7 to his alleged experiences with plaintiff or any knowledge he
8 might have concerning plaintiff, L. Ron Hubbard, or other
9 Scientology-related entities and individuals; (3) would not
10 disclose any documents which related to plaintiff or other
11 identified entities and individuals; and (4) would pay to
12 plaintiff \$50,000 in liquidated damages for each disclosure or
13 other breach of that paragraph.

14 17. Contemporaneously with the signing of the Agreement,
15 Armstrong represented that he understood the Agreement's
16 provisions and was acting of his own free will and not under
17 duress.

18 18. The Agreement also provided that plaintiff CSI would
19 pay to Armstrong's attorney, Michael Flynn, a lump sum amount
20 intended to settle not just Armstrong's case, but the cases of
21 other clients of Mr. Flynn as well, and that Mr. Flynn would pay
22 to Armstrong a portion of that settlement amount. The exact
23 amount of the portion to be paid to Armstrong by Mr. Flynn was
24 maintained as confidential between Mr. Flynn and Armstrong.

25 19. CSI paid to Mr. Flynn the lump sum settlement amount.

26 20. Mr. Flynn paid to Armstrong his confidential portion of
27 the lump sum settlement amount, which was at least \$520,000,
28 after expenses.

1 21. The consideration paid to Armstrong was fair,
2 reasonable and adequate. Plaintiff CSI has performed all of its
3 obligations pursuant to the Agreement.

4 BREACHES OF THE AGREEMENT

5 22. Beginning in February, 1990, and continuing unabated
6 until the present, Armstrong has breached the Agreement wilfully
7 and repeatedly, including, inter alia, the provisions of
8 Paragraph 7(D) of the Agreement which require Armstrong to pay
9 plaintiff liquidated damages for each such breach.

10 23. In addition to the breaches of the Agreement which
11 invoke the liquidated damages clause, Armstrong has committed
12 additional violations of provisions of the Agreement which
13 entitle plaintiff to compensatory damages according to proof.

14 24. Despite demand by plaintiff, Armstrong has refused to
15 pay any damages, liquidated or compensatory, for the deliberate
16 breaches of the Agreement described herein.

17 25. The breaches described herein are presently the subject
18 of litigation in the First Action and the Second Action, and have
19 not yet been reduced to judgment.

20 FIRST CAUSE OF ACTION

21 TO SET ASIDE FRAUDULENT TRANSFER OF REAL PROPERTY

22 (Against Defendants Gerald Armstrong and Michael Walton)

23 26. Plaintiff realleges paragraphs 1 - 25, inclusive, and
24 incorporates them herein by reference.

25 27. On or about August 24, 1990, defendant Gerald Armstrong
26 was an owner and in possession and control of that real property
27 situated in Marin County known as 707 Fawn Drive, San Anselmo,
28 California, and more particularly described as follows:

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PARCEL ONE

PARCEL TWO as shown upon that certain Parcel Map entitled, "Parcel Map Lands of California Land Title Portion Lands described in book 2887 of Official Records, at page 367, also being Portion of Lots 501 and 501-A unrecorded Map of Sleepy Hollow Acres, Vicinity of San Anselmo, Marin County, California, filed for record April 8, 1976 in Volume 12 of Parcel Maps, at page 43, Marin County Records.

EXCEPTING THEREFROM that portion deeded to Alain Pigois and Nina Pigois, husband and wife, as community property, by Deed recorded February 27, 1989, Serial No. 89 13373.

PARCEL TWO

AN EASEMENT for ingress, egress and public utility purposes described as follows:

BEGINNING at a point on the centerline of Fawn Drive, said point being the most southwesterly corner of Parcel 3, as shown upon that certain map entitled, "Parcel Map Lands of California Land Title Portion Lands described in Book 2887 of Official Records, at page 367, also being a portion of Lots 501 and 501-A, unrecorded Map of Sleepy Hollow Acres, Vicinity of San Anselmo, Marin County, California", filed for record April 9, 1976 in Volume 12 of Parcel Maps, at page 43, Marin County Records, said point also being the intersection of the calls "South 26° 20' East 135 feet and North 63° 40' East 20 feet" as contained in Parcel 2 of the Deed executed by California Land Title Company, a corporation to Michael C. McGuckin, et ux, recorded March 26, 1976 in Book 3010 of Official Records, at page 190, Marin County Records; thence from said point of beginning and along the exterior boundary of said Parcel 3, North 63° 40' East 20 feet; thence North 75° 07' 20" East 164.00 feet; thence leaving said exterior boundary of Parcel 3, North 12° 41' East 85.00 feet; thence North 30° 45' West 126.00 feet, thence North 13° 30' East 79.21 feet to the northwesterly boundary of Parcel 1, as shown upon that certain map referred to hereinabove; thence along the exterior boundary of said Parcel 1, South 84° 00' west 75.70 feet to the most Northerly corner of the parcel of land described in the Deed executed by Charles B. Roertson, et ux, to Paul Hopkins Talbot, Jr., et ux, recorded January 30, 1956 in book 1002 of Official Records, at page 623, Marin County Records; thence 111.77 feet, thence leaving said exterior boundary of Parcel 1, South 18° 45' East 95.06 feet thence South 21° 48' West 70.66 feet; thence South 75° 07' 20" West 160.00 feet to the certline of Fawn Drive; thence along the

1 exterior boundary of said Parcel 3, also being the
2 centerline of "Fawn Drive, South 26° 20' East 34.46
3 feet to the point of beginning.

4 28. On or about August 24, 1990, defendants Gerald
5 Armstrong and Michael Walton transferred by grant deed the above-
6 described property to defendant Michael Walton. On August 27,
7 1990, the grant deed was recorded in Marin County Official
8 Records as number 90 50497 in the Office of the County Recorder
9 of Marin County, California.

10 29. Plaintiff is further informed and believes and thereon
11 alleges that the transfer was made with an actual intent to
12 hinder, delay or defraud plaintiff in the collection of its
13 damages.

14 30. Further, plaintiff is informed, and believes, and
15 thereon alleges that at the time Armstrong made the transfers, he
16 intended in the future to engage in the conduct in breach of his
17 Agreement with plaintiff, described above, knowing that he would
18 thereby incur the damages described herein and for which he would
19 have rendered himself judgment-proof.

20 31. Defendant Armstrong received no money or other
21 consideration in exchange for the aforementioned transfer.
22 Plaintiff is informed and believes and thereon alleges that at
23 the time of the transfer of the real property defendant
24 Armstrong's interest in the real property was not less than
25 \$397,500.00. Thus, defendant Armstrong did not receive
26 reasonably equivalent value in exchange for his interest in the
27 real property.

28 32. Plaintiff is informed and believes and thereon alleges
that defendant Walton received the above-described real property

1 with knowledge that defendant Armstrong intended to (1) hinder,
2 delay or defraud the collection of plaintiff's aforementioned
3 damages and (2) further breach his Agreement with plaintiff,
4 thereby incurring substantial damages which it would be
5 impossible for Armstrong to pay. Defendant Walton had previously
6 advised Armstrong concerning the Agreement and was familiar with
7 its terms and conditions; further, Armstrong had informed
8 defendant Walton of his vendetta against plaintiff and all
9 Churches of Scientology, and of his intentions to breach the
10 Agreement. Moreover, Walton was well aware of the fraudulent
11 nature of the transfer, for which he received no money or other
12 consideration.

13 SECOND CAUSE OF ACTION

14 TO SET ASIDE FRAUDULENT TRANSFER OF ASSETS

15 (Against All Defendants)

16 33. Plaintiff realleges paragraphs 1-25, inclusive, and
17 incorporates them herein by reference.

18 34. On or about August, 1990, defendant Gerald Armstrong
19 was the owner and in possession and control of approximately
20 \$41,500 in cash, and shares of stock in The Gerald Armstrong
21 Corporation which were valued by Armstrong at \$1,000,000.

22 35. On or about August, 1990, Armstrong transferred the
23 \$41,500 in cash and the shares of stock in The Gerald Armstrong
24 Corporation to defendants Walton and Does 1 - 100.

25 36. Plaintiff is further informed and believes and thereon
26 alleges that the transfer was made with an actual intent to
27 hinder, delay or defraud plaintiff in the collection of its
28 damages.

1 37. Further, plaintiff is informed, and believes and
2 thereon alleges that at the time Armstrong made the transfers, he
3 intended in the future to engage in the conduct in breach of his
4 Agreement with plaintiff, described above, knowing that he would
5 thereby incur the damages described herein, and for which he
6 would have rendered himself and his corporation judgment-proof.

7 38. Defendant Armstrong received no money or other
8 consideration in exchange for the aforementioned transfer.
9 Plaintiff is informed and believes and thereon alleges that at
10 the time of the transfer of the cash and stock, defendant
11 Armstrong's interest in the cash and stock was not less than
12 \$1,041,500. Thus, defendant Armstrong did not receive reasonably
13 equivalent value in exchange for his interest in the transferred
14 assets.

15 39. Plaintiff is informed and believes and thereon alleges
16 that defendants Walton and Does 1 -100 received the above-
17 described real property with knowledge that defendant Armstrong
18 intended to (1) hinder, delay or defraud the collection of
19 plaintiff's aforementioned damages; and (2) further breach his
20 Agreement with plaintiff, thereby incurring substantial damages
21 which it would be impossible for Armstrong or his corporation to
22 pay. Defendant Walton had previously advised Armstrong
23 concerning the Agreement and was familiar with its terms and
24 conditions; further, Armstrong had informed defendant Walton and
25 Does 1-100 of his vendetta against plaintiff and all Churches of
26 Scientology, and of his intentions to breach the Agreement.
27 Moreover, Walton and Does 1-100 were well aware of the fraudulent
28 nature of the transfer, for which they received no money or other

1 consideration.

2 THIRD CAUSE OF ACTION

3 CONSPIRACY

4 (Against All Defendants)

5 40. Plaintiff realleges paragraphs 1-32 and 34-39,
6 inclusive, and incorporates them herein by reference.

7 41. As alleged above, in August, 1990, defendants
8 Armstrong, Walton, and Does 1 - 100 agreed, and knowingly and
9 willfully conspired between themselves to hinder, delay and
10 defraud plaintiff in the collection of its damages, and to render
11 Armstrong unable to pay any and all damages to plaintiff which
12 Armstrong had incurred and intended to and did incur in violation
13 of the Agreement.

14 42. Pursuant to this conspiracy, the above-named defendants
15 agreed that Walton and Does 1 - 100 would take ownership and/or
16 possession of all of defendant Armstrong's assets of any value,
17 including the above-described real property, cash and stock and
18 everything remaining from the proceeds of the settlement which
19 Armstrong had accepted from plaintiff pursuant to the Agreement.
20 Further, the defendants conspired and agreed to hide any and all
21 future assets acquired by Armstrong in the sham corporation, The
22 Gerald Armstrong Corporation, in order to protect Armstrong's
23 assets from collection so long as he was breaching the Agreement,
24 and plaintiff was attempting to collect damages for those
25 breaches. Plaintiff is unaware of the present value of those
26 assets which have been so hidden, but is informed and believes
27 and thereon alleges that their value exceeds \$1,800,000, the
28 minimum value of plaintiff's claim.

1 43. Defendants Armstrong, Walton, The Gerald Armstrong
2 Corporation and Does 1 - 100 did the acts and things herein
3 alleged pursuant to, and in furtherance of, the conspiracy and
4 agreement alleged above.

5 44. As a proximate result of the wrongful acts herein
6 alleged, plaintiff has been generally damaged in the sum of
7 \$1,800,000.

8 45. At all times mentioned herein, defendants Walton,
9 Armstrong, The Gerald Armstrong Corporation and Does 1-100 knew
10 of defendant Armstrong's actions and intended actions against
11 plaintiff, knew of Armstrong's resultant obligation to
12 plaintiff, and knew that plaintiff's claims could only be
13 satisfied out of the property, sums and stock transferred by
14 Armstrong. Notwithstanding this knowledge, defendants Walton,
15 Armstrong, The Gerald Armstrong Corporation and Does 1-100
16 intentionally, willfully, fraudulently and maliciously did the
17 things herein alleged to defraud and oppress plaintiff.
18 Plaintiff is therefore entitled to exemplary or punitive damages
19 in the sum of \$3,000,000 against all defendants, individually and
20 severally.

21 WHEREFORE, plaintiff prays for judgment as follows:

22 ON THE FIRST CAUSE OF ACTION

23 1. That the transfer of the real property from defendant
24 Armstrong to defendant Walton be set aside and declared void as
25 to the plaintiff herein to the extent necessary to satisfy
26 plaintiff's claim in the sum of \$1,800,000 plus interest thereon
27 at the maximum rate permitted by law from 1990;

28 2. That defendant Walton be restrained from disposing of

1 the property transferred;

2 3. That a temporary restraining order be granted plaintiff
3 enjoining and restraining defendant Walton, and his
4 representatives, agents, and attorneys from selling,
5 transferring, conveying, or otherwise disposing of any of the
6 property transferred;

7 4. That the judgment herein be declared a lien on the
8 property transferred;

9 5. That an order be made declaring that defendant Walton
10 holds all of the real property described above in trust for
11 plaintiff.

12 6. That defendant Walton be required to account to
13 plaintiff for all profits and proceeds earned from or taken in
14 exchange for the property described above.

15 ON THE SECOND CAUSE OF ACTION

16 1. That the transfer of assets from defendant Armstrong to
17 defendants Walton and Does 1 - 100 be set aside and declared void
18 as to the plaintiff herein to the extent necessary to satisfy
19 plaintiff's claim in the sum of \$1,800,000 plus interest thereon
20 at the maximum rate permitted by law from 1990;

21 2. That defendants Walton, The Gerald Armstrong
22 Corporation and Does 1 - 100 be restrained from disposing of the
23 property transferred;

24 3. That a temporary restraining order be granted plaintiff
25 enjoining and restraining defendants Walton, The Gerald Armstrong
26 Corporation and Does 1 - 100, and their representatives, agents,
27 and attorneys from selling, transferring, conveying, or otherwise
28 disposing of any of the property transferred;

1 4. That the judgment herein be declared a lien on the
2 property transferred;

3 5. That an order be made declaring that defendants Walton,
4 The Gerald Armstrong Corporation and Does 1-100 hold all of the
5 assets described above in trust for plaintiff.

6 6. That defendants Walton and Does 1 - 100 be required to
7 account to plaintiff for all profits and proceeds earned from or
8 taken in exchange for the property described above;

9 ON THE THIRD CAUSE OF ACTION

10 1. For general damages in the amount of \$1,800,000;

11 2. For exemplary or punitive damages in the sum of
12 \$3,000,000;

13 ON ALL CAUSES OF ACTION AGAINST ALL DEFENDANTS

14 1. For attorneys fees and costs;

15 2. For such other and further relief as the court may deem
16 proper.

17 DATED: July 21, 1993

WILSON, RYAN & CAMPILONGO

18
19 BY: *Andrew H. Wilson*
Andrew H. Wilson

20 Laurie J. Bartilson
21 BOWLES & MOXON

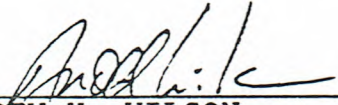
22 Attorneys for Plaintiff
23 CHURCH OF SCIENTOLOGY
INTERNATIONAL
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1 VERIFICATION

2 I, ANDREW H. WILSON, declare as follows:

3 I am one of the attorneys for the Plaintiff Church of
4 Scientology International in the above-entitled matter. I have
5 read the foregoing Verified Complaint to Set Aside Fraudulent
6 Transfers and for Damages; Conspiracy and know the contents
7 thereof, which are true of my own knowledge except as to those
8 matters which are stated on information and belief, and as to
9 those matters, I believe it to be true.

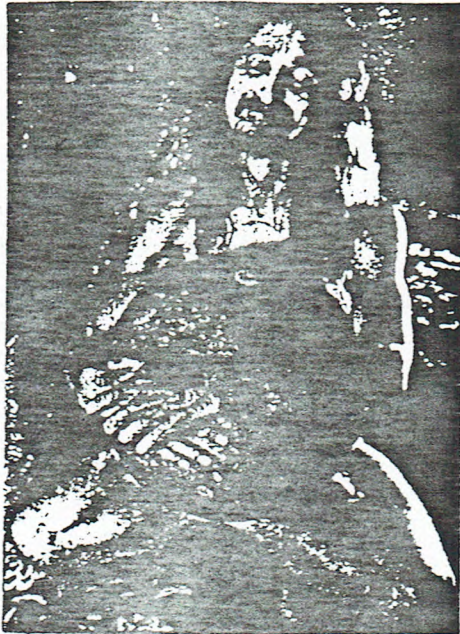
10 I declare under the penalty of perjury pursuant to the laws
11 of the State of California that the foregoing is true and
12 correct. Executed on July 21, 1993 at San Francisco,
13 California.

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15 _____
16 ANDREW H. WILSON
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SECTION 6



200341



IJ photo/Frankie Frost

CASH CRITIC: Gerald Armstrong of San Anselmo reflects on how the world would be a better place without money

Is money the root of problems?

Critic of cash, credit urges monetary abolition

By Richard Polito

Independent Journal reporter

Gerald Armstrong has an idea for dealing with the national debt — write it off. Forget it. It doesn't exist.

It's that easy.

The novel prescription for fixing the fiscal fiasco is only part of Armstrong's larger message that money should be abolished. No more pay checks, no more loan payments, no more taxes, and forget that \$20 you owed your brother-in-law.

Bank presidents would clean up litter. Donald Trump could get a real job. The Financial District would be a ghost town with marble lobbies — and lots of parking.

And it all starts today.

In a rare moment of realism, Armstrong admits today's deadline "is probably not going to be achieved."

Renouncing cash, credit

Armstrong, self-proclaimed founder of the Organization of United Renunciants, set the date for people who have taken his "pledge of renunciation" to stop using money. Fellow renunciants will renounce all cash and credit, stop taking money, stop paying with money, forgive all their debts and stop keeping financial records.

The critic of credit has already put his money where his doubts are. He gave it all away. And it was more than pocket change.

Armstrong won an \$800,000 settlement in a harassment suit against the Church of Scientology six years ago. Once a member of the inner circle, he is now a vocal critic.

Armstrong doesn't expect everyone to buy in from the start, just "somewhere between 1 and 11 percent."

He's a tad short. Armstrong can count only a handful of friends as converts, but he is trying to get the word out. Detailed proposals have gone out to Bill Clinton, Ross Perot and Pete Wilson (no one has tapped him for an economic advisory post just yet.) He has also written to the New York Times and other mega-media.

Ted Koppel has not called.

Money considered valueless

Armstrong is not discouraged.

The monetary messiah insists there is much about daily life that will not change. People will still go to work, shop at the market and pick out a new car every few years. They just wouldn't exchange any money along the way.

Money, in Armstrong's eyes, has no value and the existence of money has created entire industries that do nothing more than transfer mythical essences of value from one account to another.

In Armstrong's cashless Utopia, there would be total employment because people could do jobs they wanted to do and companies could employ more workers because they would not have to pay them. Farmers would still farm. Autoworkers would still make cars. Sewer workers would still shovel sludge.

And Disneyland would no longer charge admission.

SECTION 7

SUPERIOR COURT OF CALIFORNIA , COUNTY OF LOS ANGELES

Date: May 28, 1992
Honorable Ronald M. Sohigian, Judge
1

M. Cervantes, Deputy Clerk
None (E.R.M.)

BC 052395

(Parties and Counsel checked if present)

Church of Scientology, International

Counsel For
Plaintiff

vs.

Gerald Armstrong, et al.

Counsel For
Defendant

No Appearances

NATURE OF PROCEEDINGS: RULING ON MATTER TAKEN UNDER SUBMISSION ON MAY 27, 1992

In this matter heretofore taken under submission on May 27, 1992, the court now makes the following ruling.

1 Plaintiff's legal remedies are inadequate insofar as the scope of relief ordered below is concerned, but not otherwise. CCP 526(4) and (5).

2 The threatened acts which are restrained by the order referred to below, but only those threatened acts, would do irreparable harm to plaintiff which could not be compensated by monetary damages. CCP 526(2).

3 On the basis of the instant record, there is a reasonable probability that plaintiff will prevail after trial of this case in the respects restrained by this order. CCP 526(1); cf., San Francisco Newspaper Printing Co., Inc. vs. Superior Court (Miller) (1985) 170 Cal. App. 3d 438.

4 Plaintiff is likely to suffer greater injury from denial of the preliminary injunction the terms of which are set out below than the injury which defendant is likely to suffer if it is granted. See Robbins vs. Superior Court (County of Sacramento) (1985) 38 Cal. 3d 199, 206.

5 The granting of a preliminary injunction in the terms set out below will preserve the status quo pending trial.

200344

SUPERIOR COURT OF CALIFORNIA , COUNTY OF LOS ANGELES

Date: May 28, 1992
 Honorable Ronald M. Sohigian, Judge
 1a

M. Cervantes, Deputy Clerk
 None (E.R.M.)

BC 052395

(Parties and Counsel checked if present)

Church of Scientology, International

Counsel For
Plaintiff

vs.

Gerald Armstrong, et al.

Counsel For
Defendant

No Appearances

NATURE OF PROCEEDINGS: RULING ON MATTER TAKEN UNDER SUBMISSION ON MAY 27, 1992

6 Application for preliminary injunction is granted in part, in the following respects only.

Defendant Gerald Armstrong, his agents, and persons acting in concert or conspiracy with him (excluding attorneys at law who are not said defendant's agents or retained by him) are restrained and enjoined during the pendency of this suit pending further order of court from doing directly or indirectly any of the following:

Voluntarily assisting any person (not a governmental organ or entity) intending to make, intending to press, intending to arbitrate, or intending to litigate a claim against the persons referred to in sec. 1 of the "Mutual Release of All Claims and Settlement Agreement" of December, 1986 regarding such claim or regarding pressing, arbitrating, or litigating it.

Voluntarily assisting any person (not a governmental organ or entity) arbitrating or litigating a claim against the persons referred to in sec. 1 of the "Mutual Release of All Claims and Settlement Agreement" of December, 1986.

The court does not intend by the foregoing to prohibit defendant Armstrong from: (a) being reasonably available for the service of subpoenas on him; (b) accepting service of subpoenas on him without physical resistance, obstructive tactics, or flight; (c) testifying fully and fairly in response to properly put questions either in deposition, at trial, or in other legal or arbitration proceedings; (d) properly reporting or disclosing to authorities criminal conduct of the persons referred to in sec. 1 of the "Mutual Release of All Claims and Settlement Agreement" of December, 1986; or (e) engaging in gainful employment rendering clerical or paralegal services not contrary to the terms and conditions of this order.

SUPERIOR COURT OF CALIFORNIA , COUNTY OF LOS ANGELES

Date: May 28, 1992

Honorable Ronald M. Sohigian, Judge
lcM. Cervantes, Deputy Clerk
None (E.R.M.)

BC 052395

(Parties and Counsel checked if present)

Church of Scientology, International

Counsel For
Plaintiff

vs.

Gerald Armstrong, et al.

Counsel For
Defendant

No Appearances

NATURE OF PROCEEDINGS: RULING ON MATTER TAKEN UNDER SUBMISSION ON MAY 27, 1992

9 The court does not dispositively decide the underlying merits of the case except for this preliminary determination. CCP 526(1); Baypoint Mortgage Corp. vs. Crest Premium Real Estate etc. Trust (1985) 168 Cal. App. 3d 818, 823.

10 Plaintiff is ordered give written notice by mail by June 5, 1992, including in that written notice a statement regarding whether plaintiff has or has not posted the undertaking referred to in sec. 7, above, and attaching to that written notice evidence showing that the undertaking has been posted if that is the fact.

DATED: May 28, 1992.

RONALD M. SOHIGIAN

 RONALD M. SOHIGIAN
 Judge of the Superior Court

A copy of this minute order is sent to counsel via United States mail this date.

SECTION 8

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IN AND FOR THE SUPERIOR COURT

FOR THE NORTHERN DISTRICT OF CALIFORNIA

--oOo--

CHURCH OF SCIENTOLOGY
INTERNATIONAL, a California
not-for-profit religious
corporation,

Plaintiff,

vs.

Case No. BC 052395

GERALD ARMSTRONG; DOES 1
through 25, inclusive,

Defendants.

CERTIFIED
COPY

DEPOSITION OF

GERALD ARMSTRONG

Wednesday, June 24, 1992

REPORTED BY: SUSAN M. SKIGEN, CSR #5829

1 since, since '89.

2 Q. Okay.

3 A. When, I mean, I have, I have absolutely no
4 intention of honoring that settlement agreement. I
5 cannot. I cannot logically. I cannot ethically. I
6 cannot morally. I cannot psychically. I cannot
7 philosophically. I cannot spiritually. I cannot in any
8 way. And it is firmly my intention to not honor it.

9 Q. No matter what a court says?

10 A. No court could order it. They're going to
11 have to kill me.

12 Q. Well, let's just hope we don't have to turn
13 this into a death penalty case.

14 A. Into a what?

15 Q. A death penalty case.

16 A. Right, but you guys would.

17 Q. I'm not the one who stands up and pounds
18 the table and screams at people in this deposition, your
19 lawyer is. If I were to stand up at this deposition and
20 scream at you to shut up, would you consider that to be
21 an act of fair game?

22 A. I consider the whole thing --

23 Q. I know, but if I were to stand up and yell
24 at to you shut up, would you consider that to be fair
25 game?

SECTION 9

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JOHN MADERIOUS
Attorney at Law
801 Western Avenue
Petaluma, CA 94952
(707) 762-0091

In Pro Per

FILED

JUN 17 1992

SONOMA COUNTY CLERK

BY _____
Deputy Clerk

SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF SONOMA

JOSEPH ANDREW SLATTERY,

Plaintiff,

v.

JOHN MADERIOUS and
DOES 1 - 5, inclusive,

Defendants.

Case No: 169106

DECLARATION IN
OPPOSITION TO MOTION TO
VACATE TRIAL DATE

JOHN MADERIOUS, and JOHN
MADERIOUS, INC.

Cross-complainants,

v.

JOSEPH ANDREW SLATTERY,
FORD GREENE, HUB LAW OFFICES,
and DOES I through X, inclusive,

Cross-defendants

COMES NOW JOHN MADERIOUS and declares as follows:

1. I am a party of this action and make this declaration based upon my personal knowledge. All matters set forth herein are true of my personal knowledge. I am competent to testify to these matters and do so testify.

200351

1 he had assumed was already set as a jury trial. In other words,
2 in these circumstances the payment of jury fees indicates
3 previous knowledge on the part of Mr. Greene that this was not a
4 jury trial.

5 5. Mr. Greene enjoys a unique status in my office.
6 Mr. Greene is the only attorney I have had any contact with in
7 almost twenty years of practice who I refuse to speak with on
8 the telephone. My response to telephone calls to Mr. Greene is
9 to have my secretary tell him to fax anything to me that he has
10 to tell me since I do not wish to talk to him on the phone. The
11 reason for this is that Mr. Greene has demonstrated to me
12 repeatedly that he is willing to say anything to attempt to
13 further his interests, regardless of the truth. That is the
14 reason that I personally signed the proof of service by mail,
15 which is Exhibit C, to Mr. Greene's declaration. That proof of
16 service by mail is correct in that as I stated on January 28,
17 1992, I mailed the Joint At Issue Memorandum approximately one
18 year previously, on January 30, 1991, with my letter of January
19 30, 1991 to Mr. Greene at his correct address. If Mr. Greene
20 wished a jury trial he should have responded to that document as
21 he was legally (by local rule) required to do. In short,
22 Mr. Greene has purposefully created this opportunity to again
23 attempt to secure a continuance of the trial date. This motion
24 could have been made long ago if there were a factual basis for
25 it, and there is no excuse for making such a motion on the date
26 of trial. Mr. Greene's admitted fault is more egregious than he
27 admits and he should not be rewarded for purposefully ignoring
28 his obligations.


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proceed to court trial. My estimated time for completion of this Court trial is thirty to sixty minutes.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed in Petaluma, California, on June 16, 1992.


JOHN MADERIOUS

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JOHN MADERIOUS
Attorney at Law
801 Western Avenue
Petaluma, CA 94952
(707) 762-0091

In Pro Per

Entered,

FILED

AUG 17 1992
SONOMA COUNTY CLERK
By K. Duokul
Deputy Clerk

SUPERIOR COURT OF THE STATE OF CALIFORNIA
IN AND FOR THE COUNTY OF SONOMA

JOSEPH ANDREW SLATTERY,

Plaintiff,

v.

JOHN MADERIOUS and
DOES 1 - 5, inclusive,

Defendants.

Case No: 169106

JUDGMENT AFTER COURT TRIAL

JOHN MADERIOUS, and JOHN
MADERIOUS, INC.

Cross-complainants,

v.

JOSEPH ANDREW SLATTERY,
FORD GREENE, HUB LAW OFFICES,
and DOES I through X, inclusive,

Cross-defendants

Court trial in this matter began before HONORABLE RAYMOND
J. GIORDANO on June 17, 1992 and ended June 23, 1992 with the
exception of points and authorities to be filed on various dates
ending July 1, 1992, when the matter was submitted. All parties

200354

1 appeared personally at trial, including Plaintiff and
2 Cross-defendant JOSEPH SLATTERY, represented by FORD GREENE, and
3 JOHN MADERIOUS, Defendant and Cross-complainant, In Pro Per, and
4 FORD GREENE, Cross-defendant In Pro Per. All matters having
5 been submitted for decision and the Court having reviewed all
6 the evidence, files and pleadings, the Court renders judgment as
7 follows:

8 1. On the Complaint, the Court grants the defense motions
9 for judgment pursuant to C.C.P. §631.8(a) as to all causes of
10 action. After weighing all the evidence, it is the Court's
11 determination that the Plaintiff presented no evidence of
12 recoverable damages proximately resulting from the alleged
13 conduct of the Defendant. The granting of the motions for
14 judgment is also based upon the holding of Meranda v. Superior
15 Court (1992) 3 Cal.App. 4, p.1. Therefore, on the Complaint it
16 is the judgment of the Court that Plaintiff take nothing by his
17 Complaint and Defendant JOHN MADERIOUS recover costs pursuant to
18 appropriate costs memorandum, if any.

19 On the Cross-complaint, based upon the stipulation of the
20 parties, the Court awards Cross-complainant the costs he
21 advanced in the matter of Slattery v. Katics in the amount of
22 \$1,251; further, the Court awards Cross-complainant a quantum
23 meruit recovery in the amount of \$4,916.33 for a total judgment
24 on the Cross-complaint of \$6,167.33 as against Cross-defendants

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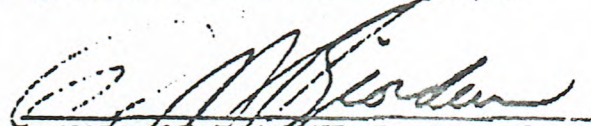
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200355

1 JOSEPH ANDREW SLATTERY and Cross-defendant FORD GREENE, plus
 2 costs to be established by appropriate memorandum, if any.

3
 4 DATED: AUG 12 1992, 1992


 HONORABLE RAYMOND J. GIORDANO
 Judge, Superior Court

5
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 7 APPROVED AS TO FORM:

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 9 DATED: _____

_____ FORD GREENE

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EXHIBIT C

1 William T. Drescher
 23679 Calabasas Road, Suite 338
 2 Calabasas, California 91302
 (818) 591-0039
 3
 4 Attorney for Non-Party Witnesses
 DAVID MISCAVIGE, MARK RATHBUN,
 AND NORMAN STARKEY
 5
 6 Michael Lee Hertzberg
 740 Broadway
 New York, New York 10003
 (212) 982-9870
 7
 8 Attorney for Non-Party
 DAVID MISCAVIGE
 9

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UNITED STATES DISTRICT COURT
 FOR THE CENTRAL DISTRICT OF CALIFORNIA

CHURCH OF SCIENTOLOGY)	CASE NO. CV 91-6426 HLH(Tx)
INTERNATIONAL, a California Non-)	
Profit Religious Organization,	)	DECLARATION OF WILLIAM T.
	)	DRESCHER IN SUPPORT OF NON-
Plaintiff,	)	PARTIES' NOTICE OF
	)	COMPLIANCE RE DISCOVERY
vs.)	
)	
STEVEN FISHMAN and UWE GEERTZ,)	
)	
Defendants.)	
)	

I, William T. Drescher, declare:

1. I am counsel for non-parties David Miscavige, Norman F. Starkey, Mark Rathbun and Greg Wilhere in the above-captioned matter. I have personal knowledge of the matters contained in this declaration and, if called as a witness, I could and would testify competently thereto.

1 2. Each of these non-parties was ordered to appear for
2 deposition in this case by Magistrate Judge Tassopoulos by orders
3 dated January 4, 1994.

4 3. On January 6, 1994, counsel for Geertz unilaterally
5 noticed 23 of 24 depositions ordered on January 4 including: Mr.
6 Miscavige for January 20, 21 and 24; Mr. Rathbun for January 17
7 and 18; and Mr. Starkey for January 13. (Since the January 4
8 order, no date for Mr. Wilhere's deposition has ever been
9 scheduled by Geertz's counsel, unilaterally or otherwise.)

10 4. Between January 10 and January 26, 1994, despite having
11 been informed that these three non-parties were not available for
12 the dates unilaterally set by him, Geertz's counsel purportedly
13 took non-appearances and failed to proffer alternative dates for
14 the depositions of Messrs. Miscavige, Rathbun and Starkey. For
15 instance, while I indicated to Mr. Berry that Mr. Miscavige would
16 not be available on the dates he sought to impose on Mr.
17 Miscavige, Geertz's counsel never suggested any other particular
18 day to take Mr. Miscavige's deposition. Similarly, as indicated
19 by their declarations, true copies of which are attached as
20 Exhibits A and B, Mr. Rathbun and Mr. Wilhere have been out of
21 the United States continually since November 13, 1993 on a
22 religious retreat. Again, Geertz's counsel never scheduled Mr.
23 Wilhere, unilaterally or otherwise, and never suggested an
24 alternate date for Mr. Rathbun.

25 5. The Court affirmed the January 4 discovery orders on
26 the merits on January 21, 1994. A true copy of that affirming
27 order is attached as Exhibit C.

28 6. At the January 31, 1994 pre-trial conference, the Court

1 made it clear that all depositions were to go forward, despite
2 the ongoing dispute over discovery abuse between CSI and
3 defendants. Specifically, the Court stated, "I expect those
4 people to be produced for their depositions"; "I expect their
5 depositions to be taken." A true copy of the transcript of these
6 proceedings is attached as Exhibit D.

7 7. I wrote to Geertz's counsel on February 2, 1994
8 requesting possible dates for the non-party depositions during
9 the following week so that a schedule could be established. A
10 true copy of my February 2, 1994 letter is attached as Exhibit E.

11 8. Mr. Berry's response was a February 2 letter in which
12 he: (a) offered no dates; (b) stated that his more than 200-
13 lawyer firm was too busy to take these depositions; and (c)
14 stated that he would only schedule these non-parties if they
15 (along with the only plaintiff, CSI) moved to continue the trial
16 for ten weeks and extend the discovery cut-off date by six weeks.
17 A true copy of that February 2, 1994 letter is attached as
18 Exhibit F.

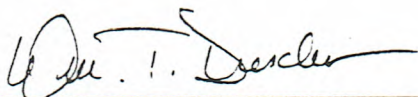
19 9. I responded on February 4 by pointing out that: (a)
20 scheduling the remaining depositions between February 4 and the
21 March 1 trial date was no more onerous than Geertz's counsel's
22 earlier unilateral schedule of depositions between January 11 and
23 January 28 for a February 8 trial date; and (b) that, as non-
24 parties, these witnesses had no ability to continue the trial
25 date even if they desired to do so. A true copy of my February
26 4, 1994 letter is attached as Exhibit G.

27 10. Meanwhile, Geertz's counsel -- having refused to
28 schedule dates for these depositions and demanding as a condition

1 precedent to such scheduling that non-parties move to continue
2 the trial -- threatened my non-party clients with contempt in
3 letters containing derogatory references to Scientology terms
4 such as "dev-t" and "CSWP." True copies of these letters are
5 attached as Exhibits H and I.

6 I declare under penalty of perjury under the laws of the
7 United States of America that the foregoing is true and correct.

8 Executed in Los Angeles, California this 8th day of
9 February, 1994.

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11 
12 _____
13 William T. Drescher
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WILLIAM T. DRESCHER

ATTORNEY AT LAW

23679 Calabasas Road, Suite 338, Calabasas, California 91302

FAX (818) 591-0336

(818) 591-0039

February 2, 1994

VIA FAX & U.S. MAIL

Graham E. Berry, Esq.
Lewis, D'Amato, Brisbois & Bisgaard
221 North Figueroa Street, Suite 1200
Los Angeles, California 90012

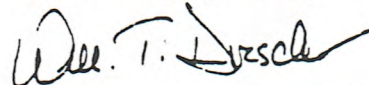
Re: CSI v. Fishman & Geertz

Dear Mr. Berry:

As a consequence of Judge Hupp's remarks during the pretrial conference held on January 31, 1994 in the above-referenced matter to the effect that the outstanding depositions contemplated by the January 4, 1994 discovery orders be completed, I would like you to apprise me of your availability next week for the depositions of the non-CSI witnesses, including Mr. Miscavige.

Please respond at your earliest convenience.

Very truly yours,



William T. Drescher

WTD:mfh

cc: Michael Lee Hertzberg, Esq.

LEWIS, D'AMATO, BRISBOIS & BISGAARD

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

LAWYERS

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COSTA MESA, CALIFORNIA 92626
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ORANGE OFFICE
THE CITY TOWER
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ORANGE, CALIFORNIA 92668-2924
TELEPHONE (714) 978-6300

SAN FRANCISCO OFFICE
SUITE 1900
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SAN FRANCISCO, CALIFORNIA 94108
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FACSIMILES:
LOS ANGELES: (213) 250-7900
SAN DIEGO: (619) 233-8627
SAN FRANCISCO: (415) 434-0882
COSTA MESA: (714) 850-1030
SAN BERNARDINO: (909) 387-1138
ORANGE: (714) 978-6922

February 2, 1994

GRAHAM E. BERRY
DIRECT DIAL (213) 680-5007

VIA TELECOPIER AND FIRST CLASS MAIL

William T. Drescher, Esq.
23679 Calabasas Road, Ste. 338
Calabasas, California 91302

Kendrick Moxon, Esq.
BOWLES & MOXON
6255 Sunset Blvd., #2000
Los Angeles, California 90028

Gentlemen:

Your respective letters, both dated February 2, 1994, were received by me at 9:15 a.m. today. Both letters deal with the same matter so I shall respond with one reply.

In addition, you have both separately and subsequently telephoned me and I have advised you orally of the essential thrust of this letter.

On January 4, 1994, the depositions of the following persons were ordered for the following periods of uninterrupted deposition testimony:

David Miscavige for 12 hours;

Norman Starkey, Marty Rathbun, Mark Yaeger, Kurt Weiland, Greg Wilhere, Ray Mithoff and Gillaume LeServe, each for five hours;

Juliette Lewis, Maxine Nightingale, Kelly Preston Travolta, Isaac Hayes, Charles Durning, each for two hours; and

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William T. Drescher, Esq.
February 2, 1994
Page 2

Bent Corydon for 6 hours.

In addition, the deposition of CSI's Chief Financial Officer (Jonathan Epstein) had been scheduled for many months but he did not appear as scheduled. There is no time limit on his deposition. Accordingly, on January 4, 1994 48 hours of uninterrupted deposition testimony of senior Scientology officials was ordered by the Court.

Subsequent testimony has confirmed that David Miscavige is the ecclesiastical head of the Church and that Mark Yaegeer, Kurt Weiland and Ray Mithoff (at the very least) are direct employees, and the senior executives (above Rev. Heber Jentzsch) of CSI. We have taken approximately one and a half hours of Kurt Weiland's deposition. Accordingly, at least 46 and a half hours of these deposition remain.

Then there is the deposition of Jonathan Epstein who will be questioned on various damage and financial matters, and who will be deposed on certain of the financial documents you have produced in this case. His deposition would have lasted approx. three days. After all, CSI is seeking damages of at least \$20 million plus punitives.

Then there are the depositions of Juliette Lewis, Maxine Nightingale, Kelly Preston Travolta, Isaac Hayes and Charles Durning who have been ordered to appear for a total of ten hours of deposition testimony.

Bent Corydon's deposition has already been taken.

Accordingly, there is approximately 77 hours of deposition time not including extra time for unauthorized interruptions, statements on the record and speaking objections (which the court ordered be excluded from the deposition time by way of stop watch). Therefore, conservatively speaking, we are looking at approximately 80 hours of court ordered depositions. On the basis of seven hours of deposition testimony a day we would be looking at 12 days of continuous depositions. Accordingly, assuming there were back to back depositions (and even in the best of possible worlds that would not be likely or even fair on me as deposing attorney), the deposition process would take a minimum two and a half weeks. Bearing in mind that we have a continued pre-trial conference next week, and that it would take some days to get the deposition schedule in order, your proposal would have us in deposition every

William T. Drescher, Esq.
February 2, 1994
Page 3

day until the first day of trial. That is unacceptable because we must draft declarations for the witnesses and prepare our issue packages.

In addition, you are seeking to take the depositions of our expert witnesses, Vaughn and Stacy Young for a total of four days in this case and next week you are also taking them for four days in the Sterling case -- in a transparent effort to get at our attorney work product material for use in this case. If that is not enough, you are also taking the custodian of records for the Newport Beach Police Department with regard to certain complaints made by the Youngs in response to harassment activities apparently conducted by your client.

Accordingly, it is physically impossible to comply with your request prior to March 1, 1994. Moreover, it is legally impossible. Discovery cutoff in this case was December 31, 1993. With regard to outstanding depositions of CSI officers, directors, managing agents, assorted hangers on and the celebrities, the discovery cutoff was extended to January 28, 1994. This extension as to pending discovery was granted on January 4, 1994 when Judge Tassopoulos ordered the above people into deposition for specified durations in the presence of our expert Robert Vaughn Young.

When your office refused to stipulate to a schedule for the witnesses Magistrate Judge Tassopoulos ordered to appear, we set them so that they could be completed in orderly fashion before January 28, 1994. At the time, we told you that the pendency of your motion for review did not relieve the deponents of their obligation to appear for deposition. We took the correct position that absent an actual protective order, their depositions had to be completed by January 28, 1994. Accordingly, we duly took non-appearances at considerable inconvenience and expense. We told you we were doing that. We even offered to take Mr. Miscavige prior to January 28, 1994 notwithstanding that we had already taken his non appearance on two separate occasions. You refused.

Indeed, at our Rule 37 and Rule 45 meet and confer conference on January 28, 1994, you still took the position that you were not prepared to discuss the orderly taking of these depositions. Indeed, Mr. Calhoun said that one of the options under Rule 37 is a stay of proceedings which you had not considered but on which we were then prepared to explore to see if there was room for accommodation. One condition imposed then, as now, is that your clients seek a stay and trial continuance based on their willful

William T. Drescher, Esq.
February 2, 1994
Page 4

disobedience of lawful process, the Magistrate Judge's orders and the Court's Orders. You responded that you were not prepared to discuss the subject. Now, you offer us the witnesses without a stay of proceedings as contemplated by Rule 37 and required by us. That is unacceptable for all the reasons set forth above -- both practically and legally.

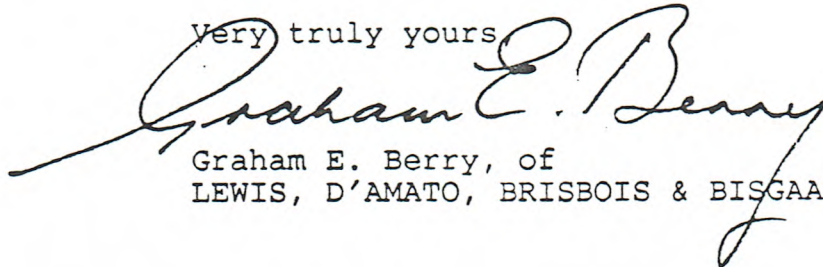
Accordingly, we are proceeding with our motion for Rule 37 terminating, issue, evidentiary and monetary sanctions. The Court is able to grant that motion, (in whole or in part -- especially as to issue and evidentiary sanctions) notwithstanding any subsequent relief it may give you.

In that regard, I confirm my telephone conversation this morning during which I said that we would not oppose any motion you might make for a ten week continuance of the trial date and a six week extension of the discovery cutoff for the purpose of completing discovery commenced before the discovery cutoff and improperly disturbed by your clients and others. It was your clients' intransigence that got your clients into the mess that they are in now.

Your clients' must now make the appropriate motion to try and get out of the problems they have created for themselves.

As already indicated, we will not oppose any motion for a ten week continuance of the trial date and a six week continuance of the discovery cutoff for the purpose of completing discovery commenced before the discovery cutoff and improperly obstructed by your clients and others. Indeed, Mr. Fishman and Dr. Geertz would sign a stipulation to that effect. It is our belief that such a stipulation with recitals and separate exhibits may be the most expeditious manner in which to have this matter resolved by the Court.

Very truly yours,


Graham E. Berry, of
LEWIS, D'AMATO, BRISBOIS & BISGAARD

GEB/mlb

William T. Drescher, Esq.
February 2, 1994
Page 5

cc: Jonathan Lubell, Esq.
Timothy Bowles, Esq.
Robert Wiener, Esq.
Michael Lee Hertzberg, Esq.

Kevin E. Gaut, Esq.
Maren Christensen, Esq.
Elliot J. Abelson, Esq.
Lawrence Heller, Esq.
John H. Lavelly, Jr., Esq.

Mr. Steven Fishman
Dr. Uwe Geertz

EXHIBIT G

WILLIAM T. DRESCHER

ATTORNEY AT LAW

23679 Calabasas Road, Suite 338, Calabasas, California 91302

FAX (818) 591-0336

(818) 591-0039

February 4, 1994

VIA TELEFAX AND U.S. MAIL

Graham E. Berry, Esq.
Lewis, D'Amato, Brisbois & Bisgaard
221 North Figueroa Street, Suite 1200
Los Angeles, CA 90012

Re: CSI v. Fishman and Geertz

Dear Mr. Berry:

I have received your February 2, and February 3, 1994 letters addressed jointly to Mr. Moxon and to me. Naturally, as I represent only non-parties and Mr. Moxon is counsel of record for the plaintiff in the above-referenced matter, I respond separately on behalf of my clients.

As the thrust of your letter is addressed to your complaint that to take depositions between now and the trial date is too burdensome a task for you to undertake, I make two observations: (1) the process you now decry as impossible is virtually the mirror-image of what you unilaterally sought to impose on these witnesses, CSI, and others between January 11 and January 28, 1994 when trial was set for February 8; and (2) as non-parties, my clients clearly cannot request a trial continuance, even if they so desired. Under these circumstances, I must conclude that you and I have nothing further to discuss regarding my clients' depositions.

Very truly yours,



William T. Drescher

WTD:mfh

cc: Michael Lee Hertzberg, Esq.
Kendrick L. Moxon, Esq.

1 Andrew H. Wilson SBN 063209
2 WILSON, RYAN & CAMPILONGO
3 235 Montgomery Street
4 Suite 450
5 San Francisco, California 94104
6 (415) 391-3900
7 FAX: (415) 954-0938

8 Laurie J. Bartilson SBN 139220
9 BOWLES & MOXON
10 6255 Sunset Boulevard, Suite 2000
11 Hollywood, CA 90028
12 (213) 463-4395
13 FAX: (213) 953-3351

14 Attorneys for Plaintiff and
15 Cross-Defendant CHURCH OF
16 SCIENTOLOGY INTERNATIONAL

17 SUPERIOR COURT OF THE STATE OF CALIFORNIA
18 FOR THE COUNTY OF MARIN

19 CHURCH OF SCIENTOLOGY)
20 INTERNATIONAL, a California)
21 not-for-profit religious corporation;)
22)
23 Plaintiffs,)

24 vs.)

25 GERALD ARMSTRONG; MICHAEL)
26 WALTON; et al.,)
27)
28 Defendants.)

CASE NO. 157 680
DECLARATION OF LAURIE J.
BARTILSON
[C.C.P. 437c]

DATE: September 9, 1994
TIME: 9:00 a.m.
DEPT: 1

GERALD ARMSTRONG,
Cross-Complainant,

vs.

CHURCH OF SCIENTOLOGY)
INTERNATIONAL, a California Corporation;)
DAVID MISCAVIGE;)
DOES 1 to 100;)
Cross-Defendants.)

DISC. CUT-OFF: Aug. 30,
1994
MOTION CUT-OFF: Sept. 13,
1994
TRIAL DATE: Sept. 29, 1994

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I, Laurie J. Bartilson, hereby declare:

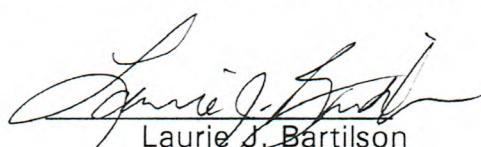
1. My name is Laurie J. Bartilson. I am a member of the law firm Bowles and Moxon, representing plaintiff in this action. I have personal knowledge of the facts set forth in this declaration and could competently testify thereto if called as a witness.

2. I have in my possession one copy of documents which were produced by Gerald Armstrong and Gerald Armstrong Corporation pursuant to protective order. The documents consisted of personal and corporate bank statements bearing Bates stamp numbers 1 through 172.

3. Pursuant to the protective order, I have not distributed the bank statements to anyone else, nor has anyone in my office done so. The documents have not been shown or given to my client, the media, or anyone else. I have not used the documents for any purpose, other than to prepare this case for trial, nor has anyone employed in my office.

I declare under the penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this 1st day of September, 1994, at Los Angeles, California.


Laurie J. Bartilson

1 Andrew H. Wilson SBN 063209
 2 WILSON, RYAN & CAMPILONGO
 3 235 Montgomery Street
 4 Suite 450
 5 San Francisco, California 94104
 6 (415) 391-3900
 7 FAX: (415) 954-0938

8 Laurie J. Bartilson SBN 139220
 9 BOWLES & MOXON
 10 6255 Sunset Boulevard, Suite 2000
 11 Hollywood, CA 90028
 12 (213) 463-4395
 13 FAX: (213) 953-3351

14 Attorneys for Plaintiff and
 15 Cross-Defendant CHURCH OF
 16 SCIENTOLOGY INTERNATIONAL

17 SUPERIOR COURT OF THE STATE OF CALIFORNIA
 18 FOR THE COUNTY OF MARIN

19 CHURCH OF SCIENTOLOGY)
 20 INTERNATIONAL, a California not-)
 21 for-profit religious corporation;)
 22 Plaintiffs,)

23 vs.)

24 GERALD ARMSTRONG; MICHAEL WALTON;)
 25 et al.,)
 26 Defendants.)

) CASE NO. 157 680
)
) DECLARATION OF ANDREW H.
) WILSON

) [C.C.P. 437c]

) DATE: September 9, 1994
) TIME: 9:00 a.m.
) DEPT: 1

) DISC. CUT-OFF: Aug. 30,
) 1994
) MOTION CUT-OFF: Sept. 13,
) 1994
) TRIAL DATE: Sept. 29, 1994

27 GERALD ARMSTRONG,)
 28 Cross-Complainant,)

29 vs.)

30 CHURCH OF SCIENTOLOGY)
 31 INTERNATIONAL, a California)
 32 Corporation; DAVID MISCAVIGE;)
 33 DOES 1 to 100;)
 34 Cross-Defendants.)

1 I, Andrew H. Wilson, hereby declare:

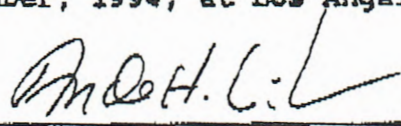
2 1. My name is Andrew H. Wilson. I am a member of the law
3 firm of Wilson, Ryan and Campilongo, representing plaintiff in
4 this action. I have personal knowledge of the facts set forth in
5 this declaration and could competently testify thereto if called
6 as a witness.

7 2. On March 17, 1994, I attended an in camera inspection
8 of documents produced by defendants Gerald Armstrong and the
9 Gerald Armstrong Corporation in this action. After the referee,
10 Mr. Benz, inspected the documents, he placed them in my care,
11 pursuant to a protective order which he placed on the record of
12 the proceedings. The documents consisted of personal and
13 corporate bank statements bearing Bates stamp numbers 1 through
14 172.

15 3. Pursuant to the protective order thus imposed, I kept a
16 copy of the bank statements, and sent one copy to my co-counsel,
17 Laurie J. Bartilson, of Bowles & Moxon. I did not distribute the
18 bank statements to anyone else, nor has anyone in my office done
19 so. The documents have not been shown or given to my client, the
20 media, or anyone else. I have not used the documents for any
21 purpose, other than to prepare this case for trial, nor has
22 anyone employed in my office.

23 I declare under the penalty of perjury under the laws of the
24 State of California that the foregoing is true and correct.

25 Executed this 1st day of September, 1994, at Los Angeles,
26 California.

27 
28 _____
Andrew H. Wilson